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Japan

Officials on Failure To Agree in Auto Talks

OW1904004595 Tokyo KYODO in English 0040 GMT 19 Apr 95

[FBIS Transcribed Text] Japan and the United States were unable to narrow their differences over ways to improve American access to Japan's auto and auto parts markets during two-day high-level talks until Tuesday.

The failure to conclude the nearly two-year series of auto market negotiations is expected to intensify tensions in Japan-U.S. trade ties toward the upcoming quadrilateral trade ministers' meeting in Canada in early May.

Washington has indicated its readiness to issue a sanctions list if no major progress is made before the meeting. Meeting reporters after Tuesday's talks, Jeffrey Garten, undersecretary of commerce, said, "we have a long way to go."

Japanese Chief Delegate Yoshihiro Sakamoto told reporters, "it was discussions, only discussions, nothing related to an agreement."

The latest talks focused on U.S. proposals put forward in late March on ways to deregulate Japan's replacement parts market and expand the number of Japanese dealers handling U.S. cars.

Speaking at a press conference, Sakamoto, vice international trade and industry minister for international affairs, and Vice Transport Minister for International Affairs Masahide Ochi confirmed that both parties had mutually compromised on part of the deregulation issue but remained far apart over the dealership issue.

They said Tokyo turned down a U.S. demand that Japanese automakers exercise influence on their affiliated dealers to handle U.S. automobiles. The officials said such a proposal would be against market mechanisms. The latest meeting followed working- level discussions last week, which yielded no tangible accords on the auto trade talks.

Trade in cars and car components represents about two-thirds of the 60 billion dollar U.S. trade deficit with Japan. The rupture in the latest talks put renewed downward pressure on the U.S. Dollar by increasing a market belief that Washington will use the weak dollar as a means to pry open Japan's market. The U.S. currency slipped to the 80 yen-level in Tuesday's New York trading for the first time in a week.

Auto trade is the only pending issue among the three priority sectors of the bilateral "framework" talks, launched in the summer of 1993 for improved economic ties.

At the press conference, Sakamoto harshly criticized the U.S. for renewing the issue of the government's commitment to the so-called voluntary plan by Japanese automakers to purchase U.S.-made parts during the latest talks. Tokyo has repeatedly claimed the issue lies outside the framework sector matter.

Sakamoto said, "Washington informally sought a Japanese carmakers' pledge to increase parts purchases under the voluntary plan."

"As long as the U.S. sticks to this issue, there would be no accord on the auto trade talks," he said.

On the replacement parts issue, both parties agreed to study the possibility of expanding deregulative steps further in experts' talks, Sakamoto said.

During the previous high-level meeting in March, Washington proposed that all areas of Japan's replacement market be subject to deregulation, a demand that prompted one Japanese Transport Ministry official to declare that Japan and the U.S. have "entered a total battle on the auto parts dispute."

Tokyo regards such a proposal as the virtual abolition of Japan's car inspection system.

Sakamoto said Washington, during the latest meeting, agreed that some areas in the replacement field should not be deregulated for safety and environmental reasons. The U.S. has repeatedly hinted at taking punitive action against Japan after it began a probe into its auto trade with Japan under section 301 of the 1974 trade law, following the rupture of bilateral auto talks last October.

The auto talks were resumed in January, with the U.S. accepting Japan's four conditions for restarting them, including rejection of the section 301 application.

Sakamoto said Japan will break off the talks and take the case to the World Trade Organization if the U.S. uses section 301.

"We cannot continue talks under the threat of sanctions. We need a referee on this matter," he said.

Prior to the latest meeting, a senior U.S. official indicated Washington's readiness to take punitive steps in the event of the talks collapsing.

"I think it is premature to discuss the question of sanctions...the President and others have indicated that we will, we are prepared to take the steps needed to get that kind of agreement and to accomplish our goals."

U.S. Officials have said the U.S. will unveil in early May a list of Japanese items that will be subject to punitive tariffs.

The latest high-level talks will be followed by a two-day working-level meeting here from Wednesday and a similar meeting in Tokyo next week.

MITI Official on Desire for Auto Deal

OW1904095695 Tokyo KYODO in English 0938 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Japan wants an auto trade accord with the United States but is ready to join the brinkmanship game as both sides edge toward taking the snarled case to the world trade referee, Japanese trade officials indicated Wednesday [19 April].

With both sides showing their readiness to take the intractable auto dispute to the World Trade Organization (WTO) in Geneva after high-level negotiators came up empty-handed Tuesday in Washington, officials of the Ministry of International Trade and Industry (MITI) said the talks will resume at the expert level next week in Tokyo.

"We are seeking a breakthrough through patient negotiations," said a senior official at MITI's International Trade Policy Bureau. "But we will not submit to threats."

U.S. negotiators continue trying to get Japanese automakers to buy more foreign parts and have hinted that they will draw up a list of Japanese items targeted for sanctions if no progress is made before Japanese and U.S. trade ministers meet at a conference in Canada early next month, MITI officials said.

Japan has said it will break off talks and lodge a complaint with the WTO if Washington broaches sanctions, and Tokyo's chief trade delegate in Washington, Yoshihiro Sakamoto, MITI vice minister for international affairs, indicated Japan is making logistical preparations for taking the case to Geneva.

If needed, vice minister-level talks could follow next week's working-level discussions, MITI officials said, but they indicated jitters that the resurgent yen may force the issue over the heads of trade and transport bureaucrats to their political bosses.

The dollar sank into the 79 yen range Wednesday in Tokyo for the first time in the postwar exchange system as Japan-U.S. trade friction rekindled with the lack of progress in the auto talks, the last and by far biggest sector in a bilateral trade "framework."

MITI officials indicated they want a compromise on the key issues—expanding access to Japanese dealerships for foreign cars and deregulating the replacement parts market—but will not back down despite U.S. threats to impose trade sanctions.

The Transport Ministry has proposed simplifying the tests mandated for the replacement of any vital engine and other parts in the face of U.S. calls to broadly revise the expensive auto testing system.

On expanding dealerships, Japan is offering to set up exhibitions for foreign-car specialists to increase chances for access to the domestic market, officials said.

Negotiator With U.S. Ready To Complain to WTO

OW1904112795 Tokyo KYODO in English 1114 GMT 19 Apr 95

[FBIS Transcribed Text] Washington, April 19 KYODO—Japan's top negotiator in auto and auto parts trade talks with the United States headed for Geneva Wednesday [19 April] to prepare to file a complaint with the World Trade Organization (WTO) if the U.S. imposes sanctions against Japan, government sources said.

Yoshihiro Sakamoto, vice minister for international affairs of the Ministry of International Trade and Industry (MITI), attended a bilateral vice ministerial-level meeting on the issue in Washington on Monday and Tuesday to try to narrow the differences in talks over how to improve U.S. access to Japan's market.

But the two nations failed to reach agreement and Washington has indicated its readiness to impose trade sanctions on Japan, the sources said.

They said that, in an apparent attempt to prevent the U.S. from imposing sanctions, Sakamoto said, "if the U.S. should take unilateral action against Japan, we will not hesitate to file a complaint with the WTO."

Washington has indicated its readiness to issue a series of sanctions concerning the Japanese auto parts market if no major progress is made in the negotiations between the two nations by early May, the sources added.

Japan's firm resolve to be ready to file a complaint with the Geneva-based WTO is based on its belief that the Japanese position would be supported by the world watchdog of international trade practice, they said.

But analysts said such an action by Japan might promt the U.S. to submit to the WTO its own complaint that Japan's auto and auto parts market is closed to foreign countries.

U.S. Ties Said 'Sound' Despite Trade Problems

OW1904053495 Tokyo KYODO in English 0528 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Relations between Japan and the United States remain sound despite trade and other problems between them, the government's chief spokesman said Wednesday.

"Needless to say, ties with the U.S. are the top priority of our foreign policy," Chief Cabinet Secretary Kozo Igarashi told a news conference.

Although the two countries are at odds over trade and some other issues, he said, their overall relations remain in sound and desirable condition.

"It is unavoidable to see some rows such as economic ones crop up under a free trade regime," Igarashi said. Japan and the U.S. Should seriously consider ways to resolve those disputes, he said.

U.S. Urged Deficit Cut To Curb Yen's Rise

OW1904091195 Tokyo KYODO in English 0843 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Bank of Japan Governor (BOJ) Yasuo Matsushita on

Wednesday [19 April] called for the U.S. fiscal deficit to be cut as a way to stop the yen's continued surge against the dollar.

Matsushita said at a press conference, "there is concern about U.S. structural problems in the market against the backdrop of the latest rise in the yen against the dollar, so we must strongly urge the United States to reduce its fiscal deficit."

Apparently referring to the dollar's reaching a new global low below the 80 yen line early Wednesday, Matsushita said, "recent foreign exchange movements have been getting increasingly far away from economic fundamentals."

Matsushita reiterated that the BOJ will continue taking appropriate steps in close cooperation with other industrialized nations.

Last Friday's cut in Japan's official discount rate to a historic low of 1 percent per annum, together with the BOJ's leading the short-term money rates to lower ground, will contribute to further falls in interest rates on a broad front, which could not have adverse effects on foreign exchange rates, Matsushita said.

Dismissing market speculation that Japan and the U.S. differ over the currency situation, Matsushita said that, despite some differences in views, major nations have agreed that foreign exchange stability benefits each of them.

Matsushita said he hopes the Japanese Government will actively put into practice its recently announced emergency economic package to restrain the yen.

The package embodies the government's strong will to tackle the nation's structural challenges by expanding domestic demand, bringing forward deregulation plans and expediting the disposal of nonperforming loans, Matsushita said.

On economic conditions, Matsushita said the common assessment of BOJ branch managers is that the economy nationwide is on a moderate recovery trend.

However, the yen's recent rises together with tumbling stock prices have overshadowed corporate confidence, fueling uncertainty over Japan's economic outlook, Matsushita said.

"I understand the irritation felt by companies whose earnings cannot avoid being adversely affected. In these circumstances, we cut the base rate," he said.

Matsushita reiterated that the central bank will continue to carefully watch economic and monetary developments in order to help make Japan's economic recovery more certain.

Regarding the central bank-funded scheme to bail out two failed credit unions, Matsushita expressed hopes that Tokyo Governor-Elect Yukio Aoshima will make an appropriate judgment on fulfilling the metropolitan government's responsibility as a supervising authority.

Aoshima is committed to opposing financial aid of 30 billion yen in low-interest loans for Tokyo Kyodou Bank, set up to take over the dissolved credit unions.

Matsushita indirectly urged Aoshima to give his support contrary to his commitment, saying the scheme originated in a request by the Tokyo Metropolitan Government and was worked out in cooperation with the Finance Ministry, private banks and the central bank.

Meanwhile, Matsushita welcomed the decision of banks to post losses in book-closing for fiscal 1994 which ended March 31 as a move to improve their financial conditions from a medium-term point of view by expediting disposal of nonperforming loans.

"It is desirable that banks dispose of their bad loans as soon as possible...to help strengthen the financial system," Matsushita said.

Matsushita was negative toward calls for reviewing the current floating foreign exchange system, saying that devising a better system than the floating one would require international agreement.

"The fact is that we have yet to start substantial study," Matsushita said.

Kono Urges U.S. To Take Steps To Defend Dollar

OW1904082395 Tokyo KYODO in English 0807 GMT 19 Apr 95

[FBIS Transcribed Text] New York, April 19 KYODO—Japanese Foreign Minister Yohei Kono urged the United States on Tuesday [18 April] to take measures to halt the dollar's free fall in the currency markets.

"The package the (Japanese) Government announced last Friday is of substantial and meaningful importance. But the issue cannot be resolved by Japan alone, so I want the United States to think of measures to cope with the dollar's fall," Kono said.

Kono was in New York for an international conference on extending the nuclear Nonproliferation Treaty when the dollar tumbled below 80 yen in Tokyo on Wednesday morning (Japan time).

Asked whether Japan will take additional measures to deal with the yen's rise, Kono said the Japanese Government intends to write an extra budget for reconstruction of Kobe and its vicinity devastated by the Jan. 17 earthquake and an economic stimulus as well. He did not elaborate.

SAJ Leader Criticizes U.S. Over Dollar

OW1904114495 Tokyo KYODO in English 1124 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The head of the Shipbuilders Association of Japan [SAJ]

Wednesday [19 April] blasted the U.S. Government for letting the dollar keep sliding against the yen.

"It's enraging that the United States does not feel its responsibility as a key-currency country," Shigeru Goda told reporters.

Goda said the emergency package of measures to stem the yen's steep appreciation against the dollar, which was adopted by the government last Friday, has failed to produce its intended result as it did not offer "something that goes beyond common sense."

Although the Bank of Japan lowered its official discount rate by 0.75 percentage point last Friday, Goda said a one-point cut would have been better because interest rates remain high in real terms in light of lower prices, Goda added.

With regard to calls for lowering ship prices in reaction to the strong yen, Goda said Japanese shipbuilders can win almost no orders as they can no longer afford to cut prices.

Murayama Terms Renewed Yen Surge 'Temporary'

OW1904022295 Tokyo KYODO in English 0208 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Prime Minister Tomiichi Murayama on Wednesday [19 April] downplayed the seriousness of the yen's latest surge, moving past 80 yen to the dollar.

"It is troublesome, but I think it is a temporary phenomenon," Murayama told reporters after observing the dollar's first-ever slip to the 79 yen level in Wednesday's Tokyo trading.

"We will fulfill promises, including an extra budget," he said, pinning high hopes on the eventual effects of the yen-curbing package recently crafted by the government.

The government released the emergency package last Friday. It included plans for early compilation of the fiscal 1995 supplementary budget to rescue small companies struggling under the strong yen.

Chief Cabinet Secretary Kozo Igarashi stressed the need for calm in the present currency market situation.

Igarashi said, "we should not be glad and sad by turns" in response to every new development in the market. "All we can do is to proceed with the yen package with confidence," he said. "Excessive currency rates would return to (normal) levels."

Igarashi said he sees the U.S. stance on the currency market as "a problem." The continued U.S. reluctance to take steps to support the dollar is seen as partly responsible for the current yen surge.

The yen began renewing its rise against the dollar after specific yen-defending steps failed to emerge from a meeting Sunday between Japanese Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin in Indonesia.

Continues To Downplay

OW1904050995 Tokyo KYODO in English 0458 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Prime Minister Tomiichi Murayama on Wednesday described the yen's record-breaking advance against the U.S. dollar as a "temporary phenomenon."

"It is troublesome, but I think it is a temporary phenomenon," Murayama told reporters, commenting on the dollar's first-ever dive below the 80 yen mark.

"We will fulfill our promises, including an extra budget," he said, pinning high hopes on the eventual effects of a package of spending and deregulatory measures aimed at reversing the yen's climb.

The yen-curbing package, released last Friday, has so far failed to combat the yen's nonstop upward March against the dollar, a growing threat to Japan's budding economic recovery. The dollar touched a new global low of 79.75 yen in Tokyo on Wednesday.

The emergency package features early compilation of a supplementary budget for fiscal 1995, designed to rescue smaller companies struggling under the strong yen.

"Although the yen's sharp appreciation is serious, it is no good to make a fuss or swing from joy to sorrow about it," he said.

Referring to the dollar's simultaneous fall against the German mark, the premier also voiced concern about the U.S. unit's declining strength as the world's key reserve currency.

"I have every reason to believe that a key currency's slip is no good news," Murayama said.

Chief Cabinet Secretary Kozo Igarashi also expressed deep concern about the dollar's continued weakness and its possible adverse effect on the world economy.

"Considering its impact upon the world economy, we are deeply concerned about the situation centering on the dollar's free fall," the top government spokesman said at a news conference.

Igarashi also renewed Japan's determination to restrain the yen's unabated rise versus the dollar through its yen-restraint package.

"Therefore, it is important to act resolutely with the implementation of the package instead of being now optimistic and now pessimistic over the ups and downs in currency markets," he said.

He also spurned growing criticism in Japan of the United States' perceived reluctance to defend the dollar, saying a war of words on the matter will get the two countries nowhere. "We should deal with it in a calm manner," Igarashi said.

A key policy maker within the Liberal Democratic Party (LDP), part of the tripartite ruling coalition, urged the United States to defend its currency.

"I want (the United States) to have a strong determination to defend the dollar as a key currency," said Koichi Kato, chairman of the LDP's Policy Affairs Research Council.

Kato was asked by reporters in the Diet to comment on the dollar's dip below 80 yen in Tokyo on Wednesday morning.

Asked how to deal with a strong yen-curbing package proposed by the main opposition Shinshinto (New Frontier Party), Kato said the ruling coalition is ready to cooperate with the opposition in grappling with the strong yen.

"There will be a negative impact on the market if the ruling and opposition parties give the impression that they are at odds...If they have good proposals, we will ask the government to carry out them," Kato said.

Takemura Voices 'Grave Concern'

OW1904035095 Tokyo KYODO in English 0308 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Finance Minister Masayoshi Takemura voiced grave concern Wednesday over the yen's continued surges to another global record high against the dollar.

"The failure of the auto negotiations (between Japan and the United States) is apparently leading to the yen's appreciation... I am taking the situation very seriously," Takemura told reporters.

Takemura said the government will do its utmost to flesh out a comprehensive emergency yen-curbing package, which it worked out last Friday, as soon as possible to take specific action.

The U.S. Dollar hit a new global low of 79.75 yen in early morning trading in Tokyo following its plunge to a local low of 80.55-65 yen Tuesday in New York.

Matsushita Confident of Effect of Rate Cut

OW1904095295 Tokyo KYODO in English 0921 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Bank of Japan Governor Yasuo Matsushita expressed confidence Wednesday [19 April] that the central bank's cutting of the official discount rate last week will help curb the yen's rise in the long run, business officials said.

Matsushita made the remark in a meeting with Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), they said.

"There is no doubt about the deterrent effect (of the rate cut) against the yen's excessive appreciation," Matsushita was quoted as saying. "I hope it will take effect in the long run."

The central bank governor also expressed concern about the slow tempo of economic recovery, they said.

Matsushita sought understanding of the central bank's decision to lower the key lending rate to a historic low of 1.0 percent, the officials said.

The low interest rate could have adverse side effects on the economy if recovery gains momentum, he said.

He blamed the U.S. budget deficit for the current instability of the foreign exchange market and said it is necessary to seek U.S. measures to reduce the deficit.

Japan, for its part, should solve structural problems and promote economic deregulation and liquidation of bad loans held by financial institutions, the officials quoted Matsushita as saying.

Toyoda: Indonesia Expresses Concern Over Yen

OW1804121295 Tokyo KYODO in English 1054 GMT 18 Apr 95

[FBIS Transcribed Text] Jakarta, April 18 KYODO—Indonesia expressed its concern Tuesday [18 April] over the yen's steep appreciation against the dollar since early this month, a Japanese official said.

"We discussed the yen issue with (Indonesian) President Suharto and he expressed his worries and concerns over the yen's appreciation against dollar and asked our help to seek a solution to this problem," visiting Keidanren Chairman Shoichiro Toyoda told reporters after a meeting between the Keidanren delegation and Suharto.

Toyoda also said Japan has tried to open its market further so that many Indonesian products can be marketed there.

Indonesian Industry Minister Tunky Ariwibowo, who accompanied Toyoda, said, "Japan would help Indonesia a lot if it could open its market more for Indonesian products."

Meanwhile, Vice President Try Sutrisno, who received the Keidanren delegation after they met Suharto, welcomed the goodwill of the Japanese businessmen to invest more in Indonesia and grab its position as the nation's main investor.

"There has been no certain solution yet to overcome the yen problem, but one of the efforts to weaken the yen's value is by opening the Japanese market more," said Toyoda after the meeting.

According to Toyoda, Keidanren businessmen think that 80 yen to the dollar is not a realistic value and it should be more than 100 yen to the dollar.

Toyoda said that his side will propose a positive reaction to their government, but he also hopes that the United States will also take action that could strengthen the dollar.

"So, the efforts do not only come from Japan's side, but also from the U.S. side," he said.

Business Sectors Disappointed at High-Yen Woes

OW1904043195 Tokyo KYODO in English 0410 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Japanese business leaders expressed their strong disappointment over the continuing soar of the yen against the U.S. dollar, with the yen-dollar rate getting into the historic 70 yen level at one point Wednesday morning.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren) said, "it was very regrettable that the government's drastic economic package could not halt the yen's rises."

The yen's current level will harm not only industries but also the entire economic operation of the nation, he said, adding the government should implement the emergency spending and deregulation steps in the package, and form a "large-scale" extra budget for the current fiscal year as early as possible.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said Wednesday's yen-dollar rate proved that "half-hearted and disappointing" measures work only negatively.

He suggested the government plan large-scale projects as a Japanese version of the new deal scheme that the United States took in the 1930s. As for possible projects, Nagano noted moving the capital city from Tokyo or developing a radical nationwide disaster prevention program.

Last Friday, Japan decided on the emergency economic package, which will front-load its planned 10-year 630 trillion yen public works spending, hasten by two years the government's five-year deregulation plan, and aid small and medium-size businesses hardest hit by the yen's surge. But the yen hit a historic high against the U.S. dollar at 79.75 yen at one point in Tokyo interbank trading Wednesday morning.

Tokyo To Expedite Measures To Curb Yen's Rise

OW1904100895 Tokyo KYODO in English 0952 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The Japanese Government, alarmed by the yen's renewed strength, will work out economic measures to stabilize the currency market and stimulate domestic demand through the opening of its market, officials said Wednesday [19 April].

The officials said the government will seek reaffirmation of policy coordination at a meeting of the Group of Seven (G-7) industrialized nations next week.

The session in Washington from Tuesday will be attended by finance ministers and central bank heads of the seven nations—Britain, Canada, France, Italy, Germany, Japan and the United States.

The government and ruling coalition parties have begun compiling an extra budget with outlays exceeding 2 trillion yen, the officials said.

The supplementary budget will allow for tax breaks for promotion of imports as a step to expand domestic demand and open the Japanese market wider to imports, they said.

Finance Minister Masayoshi Takemura told a news conference Wednesday he will put emphasis on coordination of monetary policies among the G-7 nations at next week's meeting.

Takemura said he will sound out U.S. monetary authorities on the possibility of raising interest rates, a key factor to shore up the dollar's value.

The finance minister said interest rate revision and joint intervention in foreign exchange markets are important, short-term measures to stabilize exchange rates.

The government and ruling parties plan to submit the supplementary budget to the Diet in the middle of May, the officials said.

Nagano on Measures To Cope With Strong Yen

OW1904095195 Tokyo KYODO in English 0913 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The leader of an influential business group said Wednesday [19 April] the government should relocate the capital from Tokyo, in addition to other large projects, to stimulate domestic demand in light of the yen's unstoppable rise against the dollar.

The current appreciation of the yen cannot be dealt with by government officials, such as those in the Finance Ministry and the International Trade and Industry Ministry, said Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren).

Nagano was meeting reporters in the wake of the Japanese currency's breaching of the 80 yen line against the dollar in Tokyo trading earlier in the day.

Relocating the capital would stimulate demand in various domestic industries and help relieve the current pressure on exports resulting from the strong yen, he said.

With regard to calls for limiting Japan's exports as a step to stem the yen's rise, Nagano said that although all measures should be taken to cope with the strong yen, an export curb should be the "last option."

Executive Discusses Stemming Yen's Surge

OW1804150595 Tokyo SHUKAN DAIYAMONDO in Japanese 8 Apr 95 p 23

[Article by Asahiko Isobe, executive director of Hitachi Ltd.: "The Current International Monetary System Needs To Be Reformed"]

[FBIS Translated Text] The yen-dollar exchange rate recently fell below the 90-yen level. This dramatic appreciation of the yen against the dollar is different from past yen surges. This phenomenon has nothing to do with the real demand for the yen or the dollar, because speculative buying or selling currently accounts for 90 percent of currency dealings. I am not saying that currency speculation is bad. However, people working in the manufacturing industry cannot tolerate being compelled to accept an exchange rate that is determined by speculation.

Why are we confronted with such an absurd situation? This is because the international monetary system has become "fatigued."

More than 20 years have passed since the fixed exchange rate system was replaced by the floating system, in 1973. The current system no longer meets the needs of the times. Therefore, major countries will no longer be able to solve problems by implementing the much-used remedial measure, namely concerted market intervention. Now it is time for all monetary authorities to work together to try to build a new monetary system. What kind of system is needed?

Before I joined Hitachi Ltd. in 1986, I worked for the Bank of Japan, where I dealt with currency issues for 30 years. I do not feel pity for my former employer; rather I feel irritated at its inability to come up with a drastic measure to stem the yen's appreciation. Let me propose a three-point plan I worked out based on my own experience.

First, I propose the creation of a dual exchange rate system. If we create a second foreign exchange market aimed at covering the real demand in foreign currencies, namely a special currency market for foreign trade-related dealings, we will be able to avoid wild exchange rate fluctuations, which are now caused by huge inflows or outflows of money in short periods of time. It is not possible to implement a dual exchange rate system under the IMF agreement. However, this agreement can always be changed if all IMF members reach a consensus.

Belgium introduced a sort of dual exchange rate system in 1973, right after the world economy shifted to the floating system. The Belgian Government set up a huge institution to supervise currency dealings. Some 1,000 specialists were assigned to check each currency transaction and classify it into two categories: capital transaction or trade-related transaction. There was a different market corresponding to each category. As personnel and other expenses accumulated under the new system, the Belgian Government was forced to abolish the institution after only one year. The dual exchange rate system proved unsuccessful at that time. However, if we were to adopt the same system now, we would no longer face the cost problem, thanks to advanced computer technology. Categorizing each currency transaction would no longer require many hands.

Second, should the introduction of a dual exchange rate system prove to be impossible, I suggest, as an alternative measure, that we implement a new monetary system governed by economic factors. A comprehensive subjective indicator should be set up based on several important economic statistics, such as trade balance, price index, discount rate, and unemployment rate. Under the new monetary system, every change in the comprehensive economic indicator would automatically be reflected in exchange rate fluctuations. Since the subjective indicator could not be changed intentionally by someone's will, exchange rates would be determined in a clear and impartial manner.

Third, I also propose the introduction of a multilateral monetary system. I suggest that we create a new key currency basket made up of major currencies, such as the dollar, the yen, the mark, etc. This plan has already been discussed thoroughly, in 1970 when the IMF introduced the Special Drawing Rights system. Under a multilateral monetary system, not only the dollar but each major country's currency will equally share the responsibility as key international currency.

People may find my three ideas ridiculous and laugh. However, none of them are impossible to realize: one has already been tried in one country, while another has already been brought up for international discussion.

Properly speaking, ideas of this kind should really come from the academic or financial circles. On the other hand, I think that people who are not working in the manufacturing industry cannot actually feel the pain caused by the skyrocketing yen.

Thus I venture to say that it will be very difficult to find a measure to stabilize the yen-dollar exchange rate under the current monetary system.

Expert on Tokyo's Efforts To Stem Yen's Rise

OW1904033595 Tokyo ASAHI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 11

[Interview with Yukio Noguchi, professor of economics at Hitotsubashi University, by an unidentified ASAHI SHIMBN reporter; place and date not given; first paragraph is ASAHI SHIMBUN introduction]

[FBIS Translated Text] On 14 April, the government announced its "emergecy yen-curbing economic package," which features such measures as early submission of a supplementary budget to the Diet and advancement of the government's deregulatory program. On the same day, the Bank of Japan [BOJ] reduced its key lending rate to a record low of one percent. ASAHI SHIMBUN asked Professor Noguchi whether these measures will be effective in arresting the rapid appreciation of the yen and—, whether the Japanese economy will remain on the track toward recovery.

[ASAHI SHIMBUN] What is your assessment of the government's pump-priming package and the BOJ's key lending rate cut?

[Noguchi] Theoretically, loose-money and tight-fiscal policies are the macroeconomic measures effective in preventing further appreciation of the yen. Thus, it was right for the BOJ to cut its key lending rate. The reduction was appropriate in that real interest rates had been increasing (because of stable commodity prices). Meanwhile, the government's proposal to expand domestic demand to arrest the yen's rise may have a reverse effect.

[ASAHI SHIMBUN] Do you mean it is better not to increase domestic demand?

[Noguchi] It is believed that if domestic demand increases, Japan's current account surplus will be reduced, which would help to halt the yen's appreciation. This theory was right when there was only commodity trade between Japan and other countries.

Presently, much weight is given to capital transactions, which determine exchange rates in the short-term. And interest-rate differentials affect capital transactions. If Japan expands domestic demand, domestic interest rates will increase. As a result, capital will flow into Japan and the yen will appreciate further. This theory has been confirmed by the fact that an increase in public investment since 1992 triggered the appreciation of the yen against the dollar at the beginning of 1993. Effective measures to stem the yen's rise are a tax hike and the cutting of government expenditures.

[ASAHI SHIMBUN] Do you think the government should implement these measures?

[Noguchi] No, I do not. What I mean is if the government wants to stop the yen's surge, these are the only measures they can take. I think it is unnecessary for the government to work to arrest the yen's rise, because the appreciation of the yen enhances Japanese labor value. It is wrong to say that the strong yen will destroy the Japanese economy.

If the growth of U.S. productivity is relatively small, the U.S. dollar's role as a key currency will diminish and the value of the dollar will inevitably decline. Japan should worry if it were to face the reverse situation, in which the yen continued to depreciate against the dollar. If investors totally lose their confidence in the Japanese economy, they will try to sell the yen. This has not yet happened, and this indicates that they still have high confidence in Japan's productivity.

[ASAHI SHIMBUN] But the yen's appreciation has caused concern that the Japanese economy may turn downwards.

[Noguchi] The people will know that the yen's rise is desirable if windfall profits from the strong yen are passed on to them and consumers' real income increases. The government's economic package also proposes to pass the benefits of the strong yen to consumers, but it is necessary to change, not a little but greatly, the economic structure. It is also imperative to reform the industrial structure to nurture industries that can endure the strong yen.

[ASAHI SHIMBUN] But do you not think immediate measures are necessary to deal with the current economic situation other than such drastic steps?

[Noguchi] Japan's pump-priming measures are always temporary makeshifts. Thus, the government has to repeatedly work out emergency economic packages. Temporary measures will not work in the current situation, in which the dollar has dipped to the 80 yen level.

The auto industry may not be able to endure the strong yen, but it is not necessarily needed to help them survive. Since the mid-80's automakers and other manufacturing firms have shifted their production bases to East Asia. A temporary expansion of demand during the so-called bubble economy boom helped them thrive, letting them into increasing investment in plants and equipment. Because of the failure to begin efforts for the reform of industrial structure at that time, the ongoing reform entails great pain and friction when firms adjust employment. Anyway, to maintain overall employment it is more important to nurture new industries than to secure employment in existing ones.

[ASAHI SHIMBUN] What should the government do?

[Noguchi] As a deregulatory measure, the government should lift the ban on establishing holding companies. They have discussed this, but postponed making a decision. I think it is important to remove the ban to create new businesses. Also, under the current life-long employment and promotion-by-seniority systems, it is difficult to promote employment adjustment involving different industries. The government should support private companies in achieving various structural changes.

Tokyo 'Agonizing' Over Yen Loan to Iran

OW1904125595 Tokyo YOMIURI SHIMBUN in Japanese 17 Apr 95 Morning Edition p 3

[FBIS Translated Text] The government is agonizing over how to deal with the issue of resuming Japan's yen loans to Iran. The United States has asked Japan not to resume the yen loans.

A Foreign Ministry source said: "If Tokyo resumes the yen loans to Iran, it will impair relations with Washington, but if Tokyo decides not to resume them, it will be criticized for simply following U.S. policy toward Iran."

From late March, the Foreign Ministry began a full discussion on the issue of resuming the second yen loan of 45 billion yen for the construction of a dam in Iran. One of those taking part in the discussion was government representative Nobuo Matsunaga, who recently returned to Japan after conferring with Iranian leaders.

The discussion group has been divided on the issue of resuming yen loans to Iran, and no conclusion has been drawn on how to deal with the matter.

Capitol Hill in the United States has began deliberating on a bill imposing a sweeping embargo against Iran. A senior Foreign Ministry official said: "It appears Japan cannot make the first move as long as the U.S. Congress does not back down from passing the tough bill."

Criticism is growing in the United States against Russian plans to supply Iran with light-water reactors, and there is a possibility the U.S.-Russia summit talks scheduled for Moscow on 9 May will take up the issue.

Iran, has already started constructing the dam, and has repeatedly asked Japan to resume the yen loans. According to the same senior Foreign Ministry official, the Foreign Ministry now says: "Even if Japan defers a decision, it cannot be put off later than this summer."

The Japanese Government is likely to make a final judgment after watching the reaction of the U.S. administration and Congress following the talks with Russia.

Former Ambassador Hails Pentagon Document

OW1804145895 Tokyo SANKEI SHIMBUN in Japanese 4 Apr 95 Morning Edition p 7

[Article by Hisahiko Okazaki, former Japanese Ambassador to Thailand: "Prospects Seen for Bailing Japan-U.S. Relations Out of Confusion—America Again Recognizes the Importance of the Japan- U.S. Alliance"; from the "Sound Argument" column]

[FBIS Translated Text]**Significance of New Pentagon Document**

It seems that everything is going against Japan.

The Japanese economy is reeling from the pressure from the appreciating yen, caused by the weak dollar. It is said that the U.S. federal budget deficit, the Democratic administration's unpopularity, and the absence of public confidence in the administration have combined to make the dollar weak against other major currencies. If that is true, the only way to stem the dollar's decline is to wait for its slide to stop. Even if Japan needs to hold down the yen's value against the dollar, no one expects the present coalition cabinet to take sweeping and effective steps to do this.

The great Hanshin earthquake and the subway sarin attack have occurred amid the yen's appreciation. I cannot help feeling that perhaps Japan's luck is running out.

The Japan-U.S. alliance is the centerpiece of Japan's foreign and security policies and the bedrock for guaranteeing prosperity and survival for the Japanese. I believe that prospects are seen for bailing the Japan-U.S. alliance out of the confusion that has continued since the end of the Cold War.

As Toshiyuki Shikata noted in this column on 3 March, the Pentagon has released a new document entitled, "The U.S. Strategy Toward Security of the East Asia and Pacific Region." The new document called for the recognition of the importance the United States attaches to Japan-U.S. relations.

To begin with, there are no U.S. policies shaped on the basis of national consensus. In the United States, the administration, Congress, the news media, and the public have their own opinions and policies often change according to the opinions. Therefore, it cannot be said that the new document has settled all issues between Japan and the United States. The U.S. trade representative, within the U.S. administration, still insists at every opportunity that "Japan's trade deficit with the United States remains unshrunk and the issue of automobiles and auto parts also remains unresolved."

I believe that the new document has been compiled on the basis of a considerably profound background. The document has the potential to become a policy guideline.

Clinton Administration's Soul-Searching

Over the past two years, the Clinton administration has focused on the result-oriented economic negotiations with Japan and doubts are being raised within the administration about the validity of pursing that kind of negotiation. The Clinton administration has begun soul-searching over the way it has negotiated with Japan on bilateral economic issues and tilted toward the importance of Japan- U.S. relations. The policy of attaching importance to the Japan- U.S. alliance, which the new document stressed,-has grown out of that soul-searching and tilt. In that sense, the document has a firm background.

As seen in the last year's midterm election, conservatism has come to dominate U.S. public opinion and Congress. It is said that in the Untied Sates, the illusion concerning China is fading whereas Americans are beginning to again recognize the importance of the Japan-U.S. alliance. The recognition of the Japan-U.S. alliance's importance is a reflection of American ideological trends that will continue for a long time.

Basically, the recognition of the Japan-U.S. alliance's importance reflects opinions held by American experts. There was an emotional argument in the United States shortly after the end of the Cold War that America should pull its troops out of Asia and review the Japan-U.S. alliance's significance. Yet, no American administration experts on the Far East raised doubts about the importance of the Japan-U.S. alliance.

America lost Subic Bay Naval Base in the Philippines and will be unable to make port calls at British naval bases in Hong Kong. Diego Garcia in the Indian Ocean relies on assistance from Okinawa. If the United States loses military bases in Japan, it would be unable to carry out its responsibilities in the Asian-Pacific region and the Indian Ocean. It is not likely that such a thing will happen.

Based on that perception, the new document said the Japan-U.S. alliance is the centerpiece of U.S. policy objectives in the Pacific and the world. Speaking at a Washington news conference in January this year, Prime Minister Murayama stated that the Japan-U.S. Security Treaty is for the peace and stability of the Asian-Pacific region. The new Pentagon document is a response to the prime minister's Washington statement. In the past, when it was the opposition, the Social Democratic Party of Japan made a big fuss in the Diet about whether or not the Japan- U.S. Security Treaty covered the "Far East" region. I am struck with the contrast between the present and past.

Although this is a simple issue, the document, while mentioning the possibility of holding a multilateral dialogue on Asian peace, explicitly noted that the multilateral dialogue is to supplement the bilateral alliance [between Japan and the United States], not to replace it. The document clearly set right the confusion of the alliance with multilateral agreements that existed in past American strategic ideas. This is greatly significant. To explain simply, in the past, Japan, the United States, Britain, and France concluded a quadrilateral treaty to replace the Japan-Britain alliance, but the quadrilateral treaty accomplished nothing. The idea that Japan, the United States, China, and the Soviet Union might conclude a peace and friendship treaty to replace the Japan-U.S. alliance has yet to be ruled out completely in our nation.

The Significance of Attaching Importance to Asia and the Pacific

What is significant is that the document focused on Asia and the Pacific. The Clinton administration has set the number of troops stationed in Europe and Asia at 100,000 each. The 100,000 troops stationed in Asia will be increased out of the needs of military operations, but stationing 100,000 troops in Europe is merely a political gesture. If some insist on cutting U.S. troops stationed in Europe by half, it is theoretically difficult to argue against it. At the expert level, it is possible to make a clear distinction between Asia and Europe. The general American public is unable to make such a distinction. Domestic pressure for reducing American troops abroad will continue and there is a fear that this pressure will target American troops in Asia. In that case, it is logical to confine debate only to the question of whether or not to reduce American troops stationed in Asia.

The document loudly declared that the time has passed when the United States cut back its troops abroad following the end of the Cold War and the United States will not reduce them in the future. In the past few years, a question was pervasively raised both in the United States and Asia: "What would happen if the United States pulled its troops out of Asia?" The new Pentagon document is an answer to the question. The document provided a good opportunity to put an end to an argument that is tinged with victim complex and playful thinking.

Article Views ASEAN Discussion of EAEC Issue

OW1804124395 Tokyo ASAHI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 11

[Unattributed "Current" column article: "Differing Views and Interest on Activating the East Asia Economic Caucus"]

[FBIS Translated Text] The trade ministers' conference of ASEAN member countries, Japan, China, and the ROK due to begin in Thailand late this month is now suddenly drawing attention. That is because a decision on whether or not to attend the conference is likely to turn out to be a "loyalty test" on whether the countries are willing or not to participate in the East Asia Economic Caucus (EAEC) proposed by Malaysian Prime Minister Mahathir.

The idea on holding the trade ministers' meeting was suggested by Suphachai, Thai deputy prime minister, to Ryutaro Hashimoto, Japan's minister of international trade and industry, last September on condition that "the EAEC issue will not be discussed." In response, Hashimoto proposed his condition for holding the meeting, saying he would attend if "Australia and New Zealand are invited as well."

However, within ASEAN, there are views against these two countries participating in the meeting. Meanwhile, at a 6 April news conference, Tomio Tsutsumi, administrative vice minister of international trade and industry, declared that "Japan will not attend the meeting if the two countries do not attend."

The Ministry of International Trade and Industry's [MITI] position is difficult to understand since it appears that as long as there is an agreement on not discussing the EAEC issue, there should be no problem of Japan attending regardless of whether or not Australia and New Zealand are invited. A top MITI official said this position stems from the thinking that even though Thailand said "the EAEC issue will not be discussed," the countries invited to the meeting are those that it is assumed will make up the EAEC, and, thus, "the EAEC would exist at the extension" of the meeting. As such, the countries' attendance at the conference can be construed as confirming the EAEC as a fait accompli, according to the official.

To begin with, the Japanese Government has not even made up its mind on the EAEC yet. Even though it claims it regards Asia as important to its diplomacy, Japan is concerned also about the United States, which asserts that "the EAEC will split up the Pacific." Hence, Japan is sandwiched. The proposal to invite Australia and New Zealand to the conference is aimed at eliminating the smell of the EAEC from the meeting.

Of course, another reason is that there is no urgent need for Japan to clarify its stand on this occasion. The EAEC's professed goal of achieving trade liberalization is already pursued at the Asia-Pacific Economic Cooperation (APEC) forum. Besides, there is the optimism that it will be difficult to consider an international organization in Asia without Japan now that Japan can be a factor in restraining the "big power" of China or that it can contribute to various economic assistance programs.

Murayama Said To Seek Stronger PRC Ties

OW1904115995 Tokyo KYODO in English 1137 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Prime Minister Tomiichi Murayama will seek to enhance bilateral relations with China during his visit there in early May and make them a cornerstone of peace and prosperity in the entire Asian region, government sources said Wednesday [19 April].

Murayama will meet Chinese President Jiang Zemin and Premier Li Peng during his May 2-5 official visit and stress his desire to see stronger bilateral ties, the sources said.

Murayama and Chinese officials are expected to agree to handle "in a cool-headed manner" the planned ceremonies by both governments to commemorate the 50th anniversary of the end of World War II.

Murayama will also reassure Chinese officials that Japan will not invite any top Taiwanese official to the Asia-Pacific Economic Cooperation (APEC) forum meeting slated for November in Osaka, the sources said.

China has warned Tokyo against inviting any high-level Taiwanese official to the APEC meeting that Japan is hosting this year.

On the issue of the proposed Diet resolution for the 50th anniversary, Murayama is expected to reiterate his determination to pass a resolution renouncing war based on remorse for Japan's actions during the war.

Also on the agenda for Murayama's meetings with Chinese officials is the issue of the Korean Peninsular Energy Development Organization (KEDO), an international consortium to supply assistance for North Korea to modernize its nuclear reactors.

Murayama will ask China, which has not joined the consortium, to provide support for the scheme to help smooth implementation of the U.S.-North Korea nuclear agreement last year, the sources said.

KEDO was established in March in accordance with the pact, in which North Korea promised to freeze its nuclear program in exchange for Washington's vow to coordinate international assistance to supply safer light-water reactors to Pyongyang.

Toyota Subsidiary To Make Steel Parts in PRC

OW1904063195 Tokyo KYODO in English 0610 GMT 19 Apr 95

[FBIS Transcribed Text] Nagoya, April 19 KYODO—Toyota Tsusho Corp., the trading arm of the Toyota Group of companies, said Wednesday it has established a joint venture in China's Tianjin to process and market steel parts for use in automobiles and other products.

The joint venture, Tianjin Fengtian Steel Process Co., to be run in a partnership with Tianjin Xinyu Steel Process Co., will be owned 70 percent by Toyota Tsusho and the remainder by the partner.

Toyota Tsusho will pay for a processing factory it will acquire from the Chinese partner, Toyota Tsusho officials said. The factory will be run by the joint venture.

Tianjin Xinyu Steel Process Co. is the largest steel-processing company in the Tianjin area.

It has supplied a total of 50,000 tons of steel parts to various companies, including a Tianjin-based, auto-making group of Chinese companies linked up with Daihatsu Motor Co., an automaker belonging to the group led by Toyota Motor Corp.

Toyota Tsusho deals in automobile-related products and exports Toyota vehicles to China, Southeast Asia, the Middle East and Latin America.

Toyota Opens Technical Center in PRC

OW1404061395 Tokyo KYODO in English 0503 GMT 14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Japan's top automaker Toyota Motor Corp. said Friday [14 April] it has opened a technical center in Tianjin, China, to promote automobile technology transfer.

The company said the center is designed to foster transfer of the full range of automobile technology, including mass production, manufacturing and product development as well as to cooperate in the development of China's automobile and auto parts industry.

The facility was established by companies of the Toyota Group, including Daihatsu Motor Co., a major Japanese maker of smaller vehicles, the company said.

The opening ceremony held in Tianjin the same day was attended by Japanese and Chinese officials, including Cui Shixin, a director at the Ministry of Machine Building and Electronics Industry, it said.

Further on Visit by SRV Party Chief, Delegation

Watanabe Seeks Pressure on DPRK

OW1904052695 Tokyo KYODO in English 0440 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Former Foreign Minister Michio Watanabe on Wednesday asked visiting Vietnamese Communist Party leader Do Muoi to press North Korea to abide by a nuclear accord with the United States, officials said.

Muoi is in Tokyo on a five-day official visit that began Monday, the first visit to Japan by a Vietnamese Communist Party chief. In the talks at a Tokyo hotel, Watanabe praised Vietnam for trying to improve ties with the United States after the Vietnam war.

Vietnam and the U.S. have yet to normalize diplomatic ties, but the two countries signed an accord in January to establish liaison offices.

Watanabe asked Muoi to tell North Korea to observe last October's nuclear accord, while the Vietnamese leader responded he would convey the message on his next visit to Pyongyang, the officials said.

Under the landmark nuclear accord, the U.S. promised to offer modern nuclear reactors to North Korea in exchange for a North Korean freeze on its own nuclear program. However, the two countries have reached a deadlock over the type of the reactors.

Watanabe, a senior member of the Liberal Democratic Party, led a mission of Japan's ruling coalition to Pyongyang in March.

Planning Chief Urges Investment

OW1904120895 Tokyo KYODO in English 1134 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Visiting Vietnamese official Do Quoc Sam urged Japanese business executives Wednesday [19 April] to increase investment in his country, which is carrying out active market-opening measures.

The head of the State Planning Commission, who is accompanying Communist Party leader Do Muoi on his five-day official visit to Tokyo, made the request at the third round of the Japan-Vietnam joint economic conference, a forum for discussions on bilateral economic cooperation with the Japanese private sector.

"Vietnam is promoting a 'doi moi' policy (to create a market-oriented economy) to equal the rapid development of the Association of Southeast Asian Nations (ASEAN). Japanese investment will help Vietnam's industrialization," the Vietnamese official told Japanese business leaders.

Promotion of Japanese investment in Vietnam and Japan's support of the development of human resources are major items on the agenda of the two-day forum, which opened at a Tokyo hotel the same day.

Another key issue is a nine-point proposal by Japanese business circles to improve the investment environment, including reducing land rents and constructing infrastructures like electricity, conference organizers said.

The senior Vietnamese official pledged to answer the Japanese proposal during the two-day Tokyo meeting.

Do Muoi is expected to deliver a speech at the bilateral economic meeting.

Do Muoi Meets With Trade Minister

OW1804123995 Tokyo KYODO in English 1156 GMT 18 Apr 95

[FBIS Transcribed Text] Tokyo, April 18 KYODO—Japan's trade minister told visiting Vietnamese Communist Party head Do Muoi on Tuesday [18 April] that Tokyo will allow frozen trade insurance to resume and hinted at approval of an investment-protection agreement, officials said.

The Ministry of International Trade and Industry (MITI) chief Ryutaro Hashimoto told the Vietnamese leader, during a 30-minute talk at the Akasaka state guesthouse, that short-term insurance for Japanese firms doing business with Vietnam will be allowed to resume April 26, the MITI officials told reporters.

The Japanese Government, which guarantees the trade insurance, halted the issuance in 1982 when Vietnam did not repay "several billion yen," one of the MITI officials said.

Do Muoi, who was joined by Deputy Prime Minister Tran Duc Luong, Trade Minister Le Van Triet and other officials, expressed hope to Hashimoto and MITI trade and insurance officials for a bilateral agreement to protect investment in Vietnam, MITI said.

Hashimoto responded that "a legal framework is necessary, so I will relay it to the related government bodies," the officials said, indicating a positive stance on such an agreement.

NFP Calls For 10 Trillion Yen Extra Budget

OW1804135295 Tokyo KYODO in English 1318 GMT 18 Apr 95

[FBIS Transcribed Text] Tokyo, April 18 KYODO—The main opposition Shinshinto (New Frontier Party:

NFP) proposed a 10 trillion yen package Tuesday [18 April] to help halt the yen's sharp upswing.

Shinshinto plans to submit a bill incorporating the expenditures to the Diet as a counterproposal to the ruling coalition's own supplementary budget.

The party calls for "all possible emergency measures" to boost the dollar to at least 100 yen for the time being. The U.S. currency was around the mid-81 yen level in late Tokyo trading.

The package includes 1 trillion yen in additional expenditures for road construction, 1 trillion yen for expansion of Kansai international airport and 1 trillion yen for new Shinkansen bullet train lines.

In the package, Shinshinto also urges the government to implement during the current fiscal year through March 1996 all the steps included in the recently unveiled five-year deregulation program.

The opposition party proposes to finance the additional spending entirely through the issuance of government bonds.

Parliament Enacts Anti-Sarin Legislation

OW1904082195 Tokyo KYODO in English 0750 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Japan's parliament on Wednesday [19 April] enacted a bill to ban the use, production, import or possession of the nerve gas sarin and other lethal substances.

The House of Councillors, the upper house of the Diet, unamiously approved the bill unanimously. The House of Representatives, or the lower house, passed it earlier in the day.

The legislation follows the March 20 sarin nerve gas attack on the Tokyo subway system that killed 12 people and made more than 5,000 others ill.

Last June, seven people died and hundreds were made sick in a similar sarin gas attack in Matsumoto, Nagano Prefecture, central Japan.

Under the new legislation, using sarin or other lethal chemicals will be punishable with imprisonment of between two years and life, while production or possession of such poisons will be subject to imprisonment of up to seven years. .

Collecting materials or offering funds for the purpose of making such poisons will be punishable with a prison term of up to three years.

The application of the law will start 10 days after it is promulgated.

Officials earlier said the government will have the legislation promulgated by the end of the week, allowing for its application next month.

However, the legislation also provides that anyone currently in possession of sarin must report it to police and hand over the substance before the start of the application or be punishable with a prison term of up to one year.

Japanese police suspect that the religious cult Aum Shinrikyo produced sarin at its compound at the foot of Mt. Fuji, in the village of Kamikuishiki, Yamanashi Prefecture.

Passengers Stricken at Yokohama Station

OW1904113595 Tokyo KYODO in English 1117 GMT 19 Apr 95

[FBIS Transcribed Text] Yokohama, April 19 KYODO—More than 200 people at Yokohama station on Wednesday [19 April] complained of feeling ill and were rushed to hospital after a foul-smelling odor spread through a station passage and in a train which had just left the station, police said.

Police are investigating the cause of the fumes, but the symptoms of the victims taken to hospital appear to rule out an attack with sarin nerve gas, such as happened in the assault on the Tokyo subway system March 20 which killed 12 people and made more than 5,000 others ill.

A total of 211 people, 74 men and 137 women, have been treated at hospitals in the Yokohama and Tokyo area, police said. Of them, 15 have been kept in hospital.

Senior medical personnel of the Saiseikai Kanagawaken hospital said the origin of the odor "appeared to be an irritant gas other than sarin."

Kanagawa police said earlier that the people taken to hospital had all been conscious and had not shown symptoms of sarin gas poisoning, such as contraction of pupils of the eyes, but some people had said they experienced pain in their eyes and others complained of sore throats.

Witnesses said that fumes smelling of sulfur spread through a passage at the station at around 12:45 P.M. immediately after a white liquid was seen spilled there. They said firefighters removed about 20 containers from the passage.

Passengers aboard a Keihin-Tohoku line train bound for Ofuna, west of Tokyo, who left the train at around 1 P.M. at Kannai, Ishikawacho, and Yokohama stations, complained of a bad smell in the carriages.

Police are investigating the incident at Yokohama station, which is used by about 1.5 million people a day, as an "injurious accident" even though the source of the fumes is still unknown.

Police arriving at Yokohama station were told by people there that they thought a poison gas had been released, and emergency relief workers and police wearing gas masks and oxygen tanks rushed to the scene.

However, the chief of the emergency center of St. Luke's International Hospital, Nobukatsu Takasu, confirmed that the symptoms of nerve gas poisoning have not appeared in patients.

"The possibility that it was sarin or another gas used for military purposes is remote," he said.

The Health and Welfare Ministry also said the incident is not related to sarin gas, according to information received from a number of the port city's hospitals.

The Yokohama Chuo hospital reported that the two men admitted after the incident are in a serious condition. The head of the hospital added that one of five patients admitted to the hospital has a higher-than-normal number of white blood cells, while another patient has a low level of oxygen in the blood, and three others appear to have liver damage.

Prime Minister Tomiichi Murayama has ordered a thorough investigation of the case.

Meanwhile, Aum Shinrikyo lawyer Yoshinobu Aoyama told the media at the cult's headquarters in Tokyo, "in the midst of all the false accusations against Aum, I hope police quickly catch the real criminal who caused this incident," said Aoyama, adding "of course, Aum has nothing to do with it."

On March 5, another incident ocurred in which 11 people were treated in Yokohama for headaches and sore throats as a result of fumes in one of four cars on a train of Keihin Electric Express Railway Co. Police said at the time they suspected a poisonous substance brought onto the train might have been to blame.

'Foul-Smelling Fumes' Affect 100

OW1904075295 Tokyo KYODO in English 0731 GMT 19 Apr 95

[FBIS Transcribed Text] Yokohama, April 19 KYODO—Scores of passengers and pedestrians complained of feeling ill and were rushed to hospital Wednesday afternoon [19 April] after foul-smelling fumes enveloped the Yokohama station complex and trains, police and firefighters said. Police and firefighters said at least 100 people were carried away to hospital for treatment. Witnesses said police and emergency personnel found about 20 containers in the underground area of the station.

It was not immediately clear whether the incident was connected in any way to the March 20 sarin gas attack on the Tokyo subway system, which killed 12 people and made more than 5,000 others ill.

Kanagawa prefectural police said, however, that the people taken to hospital have not shown the contraction of pupils of the eyes seen in sarin gas poisoning.

The Defense Agency, which dispatched some 30 disaster relief personnel of the Ground Self-Defense Force (GSDF) to Yokohama, has also reportedly been notified that there appears to be no evidence that the odor is related to the use of nerve gas.

Some of the people experienced pain in their eyes and others complained of sore throats, police said. Witnesses said the fumes smelt like sulfur.

Six people taken to Yokohama municipal hospital complained of sore eyes, but did not have contracted pupils, hospital officials said.

The chief of the emergency center of St. Luke's International Hospital, Nobukatsu Takasu, said that the symptoms of nerve gas poisoning have not appeared in the patients. "The possibility that it was sarin or other military gas is remote."

Police are investigating the incident, which was first reported at around 1 P.M. at Yokohama station, southwest of Tokyo, but the source of the fumes is still unknown.

According to East Japan Railway Co., the odor inside a train that had stopped at Ishikawacho station on the Keihin-Tohoku line in Yokohama seemed to come from air conditioners that started operating from Wednesday.

Some 1.5 million people use Yokohama station daily.

Police arriving at Yokohama station were told by people there that they thought a poison gas had been released. Emergency relief workers and police wearing gas masks and with oxygen tanks went down to the underground area of the station.

A middle-aged man said he and his wife had been walking in the underground area and that they suddenly started choking on the fumes.

Three passengers on trains from Yokohama said they felt ill after arriving in Tokyo and were promptly taken to hospital.

People were rushed to hospital after suffering pains in their eyes or throats but they were all conscious, hospital officials said.

Prime Minister Tomiichi Murayama has ordered a full investigation of the case.

Chief Cabinet Secretary Kozo Igarashi told reporters that it did not appear to be a sarin attack.

Hiromu Nonaka, chairman of the National Public Safety Commission, told a House of Councillors committee meeting that it did not appear that anyone was in danger of dying, adding that it did not appear to be related to sarin.

Yokohama Chuo Hospital reported that two men admitted in the incident are in serious condition, while the Health and Welfare Ministry said the incident is not related to sarin gas, according to information received from a number of the port city's hospitals.

Meanwhile, Aum Shinrikyo lawyer Yoshinobu Aoyama told the media at the cult's headquarters in Tokyo, "in the midst of all the false accusations against Aum, I hope police quickly catch the real criminal who caused this incident."

"Of course, Aum has nothing to do with this," said Aoyama.

Aum Shinrikyo's No. 2 Leader Arrested

OW1904155595 Tokyo KYODO in English 1544 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The Metropolitan Police Department arrested on Wednesday [19 April] the No. 2 man in the Aum Shinrikyo religious sect believed to be the official in charge of clandestine activities, police sources said Wednesday.

Kiyohide Hayakawa, 45, is also the sect's "construction minister" in charge of purchasing land and is ranked second only to Aum's founding leader Shoko Asahara, 40.

Hayakawa was arrested after he appeared in a live TV program Wednesday night from the sect's headquarters in Fujinomiya, Shizuoka Prefecture, west of Tokyo. During the program, he denied the group has any involvement in kidnapping, manufacturing guns or producing sarin, the nerve gas used in the March 20 attack on the Tokyo subway system which killed 12 people and made more than 5,000 ill.

Police arrested Hayakawa on the grounds that he allegedly conspired with three other Aum followers, including the sect's "defense chief" Tetsuya Kibe, 39, who were caught red-handed while breaking into an underground parking lot in a Tokyo condominium on April 6.

Police found more than 100 metal components in the car used by the three members, including barrels and triggers that could be used to make dozens of guns.

Investigators found evidence that Hayakawa was in the parking lot at the time of their trespassing.

Hayakawa is the president of a company related to the sect located on the eighth floor of the condominium. Following the three Aum members' arrest, police raided the office on suspicion that the gun parts had been taken from there.

According to testimony by former Aum followers, Hayakawa also headed the sect's "action squad" that was set up with selected members to undertake special duties, such as bringing back followers who had fled the sect.

Hayakawa is also suspected of playing a central role in the cult's alleged procurement of armaments, notably various Russian military products.

He was arrested and indicted in October 1990 for violating the National Land Utilization Law in connection with the purchase of a 15-hectare plot of land to be used for the construction of a sect training center in Kumamoto Prefecture, southwestern Japan, together with the sect's lawyer Yoshinobu Aoyama.

The Kumamoto District Public Prosecutors Office demanded earlier Wednesday that the Kumamoto district court cancel bail for Hayakawa because Hayakawa's whereabouts are unknown.

The two Aum members, who are also charged with recording incorrect facts in public documents in relation to the land transaction, were released on bail before the first trial hearing began in December 1990.

NFP's Hata Urges Early Lower House Election

OW1804130995 Tokyo KYODO in English 1246 GMT 18 Apr 95

[FBIS Transcribed Text] Tokyo, April 18 KYODO—Opposition magnate Tsutomu Hata, a former prime minister, Tuesday [18 April] urged Prime Minister Tomiichi Murayama to expedite the dissolution of the House of Representatives for an early general election.

Hata, who served as premier between April and June last year, said during a speech at Chuo University in Hachioji, western Tokyo, that Japan's politics will be made stable by holding a general election as early as possible.

However, Hata, a deputy leader of Japan's largest opposition party, Shinshinto (New Frontier Party: NFP), said he does not mean asking for a lower house poll before the House of Councillors election slated for July.

The four-year term of service for current lower house members will expire in the summer of 1997, but its general election is expected to be held later this year or next.

Hata also reiterated his support for the tripartite ruling coalition's plan to have the Diet adopt a resolution to show Japan's determination never to wage war again.

Kono: LDP 'Could Take Over' Premiership

OW1904095095 Tokyo KYODO in English 0905 GMT 19 Apr 95

[FBIS Transcribed Text] New York, April 18 KYODO—Japanese Foreign Minister Yohei Kono said Tuesday [18 April] it is possible his Liberal Democratic Party (LDP) could take over Japan's premiership, depending on the results of the next general election.

"There will be a centripetal force (but) it will be case by case how the LDP does," Kono told reporters traveling with him to New York for an international nuclear conference.

Kono, president of the LDP, said Japan's next general election will serve as a vote of public confidence in the tripartite ruling coalition consisting of the LDP, Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan] and New Party Sakigake [Harbinger].

"If the number of successful candidates from the three parties is greater than the current 291 seats, the ruling coalition will be viewed as having won a confidence vote," Kono said.

Kono also said that the framework of the tripartite coalition will be maintained even if the LDP alone takes a majority in the House of Representatives or the lower house.

But Kono was quick to deny that an early snap election will be called, pointing to the urgent tasks facing the government such as how to deal with the high yen as well as the ongoing probe into the March 20 nerve gas attack on the Tokyo subway that killed 12 people.

Kono also shrugged off the possibility of an early cabinet reshuffle, saying, "Prime Minister Murayama has no plans to do it, and I myself have no plan to propose it."

Asked to comment on press reports that some members of the LDP and the main opposition Shinshinto (New Frontier Party) may get together to create a new conservative coalition, Kono said he has negative feelings about it.

Possibility of LDP-NFP Reconciliation Viewed

OW1804151495 Tokyo AERA in Japanese 27 Mar 95 pp 15-17

[Article by editorial board member Yoshitaka Sasaki: "Will Takeshita and Ozawa 'Make Up'?"]

[FBIS Translated Text] It was early February.

Former Prime Minister Noboru Takeshita called a Diet member serving as aide to Ichiro Ozawa, secretary general of the New Frontier Party [NFP], to his offices near the National Diet building. He said: "I have recently felt some regret over perhaps having been too hard on Ozawa. There are those who would be unhappy to see him back, but I think I would rather lose them."

This particular Diet member is seen as Ozawa's right-hand man and confidant, not only by others but by himself as well. He immediately ran to Ozawa's side and reported what former Prime Minister Takeshita had said. People in the know say that, surprisingly, Ozawa's reaction was not a complete rejection but instead, something along the lines of: "We left the Liberal Democratic Party [LDP] and formed a new party. If the Takeshita crew should leave the LDP, we might consider combining forces with them."

This trusted confidant then proceeded to set up a meeting between Ozawa and Takeshita's confidant of confidants, LDP Vice President Keizo Obuchi. Obuchi met with Ozawa in the Diet building in the afternoon of 9 February. The announced agenda was that the meeting was an overture to seek support for the nomination of former Deputy Prime Minister Masaharu Gotoda as special advisor to the Reconstruction Committee on the Hanshin-Awaji Earthquake Disaster. But in truth, the Ozawa-Obuchi meeting took place under other circumstances.

The two had not met since the Takeshita faction's split at the end of 1992. The meeting lasted 25 minutes.

Three Groups Competing in the LDP

A gathering of a motley assortment, the NFP currently lacks any kind of coherence, whether in policy, hierarchy of relations, or strategy on the Diet floor. Covert, guerrilla-like moves continue: Executive Secretary Seiichi Ota, with several other young Diet members, is seeking a "conservative-conservative alliance" with the LDP, hoping to manage a return to power. Support for the party has declined from the 21 percent at the time the party was established (December 1994 ASAHI SHIMBUN survey) to 16 percent now (March 1995 ASAHI SHIMBUN survey).

On the other hand, the LDP is now clearly divided into three camps vying with each other: Yohei Kono, deputy prime minister and minister of foreign affairs (and party president), and Yoshiro Mori, party secretary general, lead a group with a firm hold over the party leadership; Koichi Kato, chairman of the Policy Affairs Research Council, Taku Yamazaki, chairman of the Diet Affairs Committee, and Junichiro Koizumi, former minister of posts and telecommunications, lead the YKK faction; and finally, the Takeshita-Obuchi faction.

Senses Not Dulled

It appears that former Prime Minister Takeshita was driven to calling Ozawa's confidant by a 1 February ceremony celebrating a new unity between Kono's faction and the YKK group. Originally, Kono and Kato were both archrivals in the old Miyazawa faction and seldom saw eye to eye. However, they decided to cooperate with each other in the face of the LDP presidential elections coming up this fall.

The YKK's resistance to the control over the party wielded by the faction of former Prime Minister Takeshita and former party Vice President Shin Kanemaru, which they inherited from the very well-funded former Prime Minister Kakuei Tanaka, marks the origins of the YKK decision to cooperate with the Kono group. Essentially, the YKK's determination that the next party president, who is to oversee the "post-Murayama" era, should not come from the Takeshita-Obuchi power establishment has been given priority over all other strategies.

Former Prime Minister Takeshita's political senses have in no way been dulled. Facing a loss of control over the leadership of his party if the situation is allowed to continue, Takeshita has started making his moves early in the game. The counteractions appear to be encompassing in scope and thoroughly calculated.

First, Takeshita keeps a close eye on the NFP Diet members who are bemoaning their ill fortune in the confines of their party. Known for his patience, the former prime minister has maintained almost daily contact with both Keiwa Okuda and Kazuo Aichi, who have found themselves no longer in the party mainstream, and with former Prime Minister Tsutomu Hata. He has made it clear his attitude is that they are welcome back to the LDP any time.

Second is Takeshita's relationship with acting NFP Secretary General Kozo Watanabe. In early February, Watanabe visited Ryutaro Hashimoto, minister of international trade and industry, in the minister's office. Hashimoto formerly served the Takeshita-Obuchi faction as a senior officer. In early March, Watanabe conferred with party Vice President Obuchi. During this same period, Watanabe was seen visiting the Takeshita offices. It is apparent that Takeshita has maintained his relationship with Watanabe, at a level at least good enough for Watanabe to make continuous, repeated contact.

The third countermeasure is the ball thrown into Ozawa's court through a trusted Diet confidant.

"Ozawa and I Are Close Kindred"

On 18 February, former LDP Secretary General Seiroku Kajiyama, once a senior executive for the Takeshita-Obuchi faction, noted in the course of a commercial TV program: "There are many former LDP members in the NFP. The fences that separate our parties have been lowered enough for those who left to come back." Kajiyama has often called upon those who left the LDP to "isolate Ozawa and the former Komeito members, and return to the LDP."

In an early March conference with financiers, former Prime Minister Takeshita confided: "People say all sorts of things, but Ozawa and I are actually close kindred." Ozawa's wife is sister to the wife of Takeshita's younger brother.

By showing the card of a possible "conservative-conservative alliance" born of a reconciliation that would create a reconfiguring of the old Takeshita-Obuchi faction, Takeshita could contain the effects of the net slowly encircling him from within the party. Naturally, Takeshita is hardly counting on an immediate response from Ozawa to his reconciliation offer. According to those around him, Takeshita is watching the ripple effects after dropping a stone into the pond.

So what of Ozawa and his reactions? There are no signs of flat refusal or of acceptance. In direct contrast to former Prime Minister Takeshita, who uses familial ties as his apparent motivation, Ozawa maintains a markedly dry attitude. Ozawa has dangled the possibility of establishing a major new alliance with his comments at a 1 March news conference: "In the current situation where neither the LDP nor the NFP has an independent majority, it might be acceptable for us to cooperate with LDP forces to gain the political clout required to carry out bureaucratic reforms or conduct crisis management. In such a situation, our cooperation would not be unlimited or unrestricted but would come as an autonomous party sharing government control."

No Notification of Mother's Funeral Services

At another news conference, this one on 13 March, Ozawa declared: "The NFP was founded with the goal of establishing a two-party system [in Japan], and this founding principle would make it impossible for us to rejoin the LDP. There would be no point to such a union; it certainly would not gain us control of the government." Despite this, he leaves the impression that NFP cooperation with the LDP would be possible if required to implement certain policies.

In a behind the scenes example, following the death of his mother, Michi, on 13 February, Ozawa failed to inform the Takeshita family, who are related to him through marriage, of either the private memorial services or the services sponsored by his political supporters. Obuchi's private secretary barely made it to the memorial service sponsored by the Ozawa election committee.

In another example, while discussing the issues of independent voting in the gubernatorial election for the metropolis of Tokyo, a younger Diet member of his party asked Ozawa about how to view the likelihood of a "conservative-conservative alliance" with the LDP. Ozawa responded: "This is not the time for such things. Go ahead and base your own thinking on not being caught up in this issue."

Kanemaru Bustles Home Again

Even as these games are being played out, the private residence of former Deputy Prime Minister Kanemaru has been the scene of a series of visits by former LDP Secretary General Tamisuke Watanuki (of the LDP) and by former Posts and Telecommunications Minister Keiwa Okuda (of the NFP) in the name of inquiring after Kanemaru's well being. These two, who are both expected to play central roles in any move to reconcile the two parties, tell Kanemaru, whose condition is now better: "How did we ever get separated from each other? The small constituency system is a done deal now. Why not call an end to the fighting?"

Inside the NFP, the forces of what was once the Komeito are carefully watching these moves. Such moves would impact greatly on whether their strategy should be to bet on the NFP's future, or to seek to team up with the LDP following a new fragmentation and fusion.

No Independent Survey

It is for such reasons that the NFP has taken nothing that resembles an opposition party's stance in the debates surrounding the bankruptcy of the two credit unions, Tokyo Kyowa and Anzen.

Kazuo Kawakami, who was involved in the investigation of the Lockheed scandals, once headed special investigations for the Tokyo District Public Prosecutor's Office. He watched the 9 March broadcasts of the Diet testimony before the House of Representatives Budget Committee by former Tokyo Kyowa Credit Union chief, Harunori Takahashi, and former Anzen Credit Union chief, Shinsuke Suzuki. He reacted in surprise when Mutsuki Kato led the questioning for the NFP. The former chief special investigator gave his opinion: "A member of the Fukuda faction of the LDP once told me that he [Kato] is nicknamed the "ashtray" for his penchant to show up in all sorts of situations. He is one of the government officials who was under a cloud of suspicion in the Lockheed affair, and we officially informed his secretary that we were investigating his involvement in the Recruit scandals. Why would the NFP have such a person take the lead in presenting their questioning? And as might well have been expected, his questions were sluggish and dull. So were the questions from Hosei Norota, of the LDP. I was convinced once again that whatever they get their hands on is solely used to beat their political foes. Despite the Diet's right to investigate any issues affecting the government, there is no real search for the truth."

The NFP heads have said that: "It is standing practice to have any questioning that takes place in the Budget Committee be led by the Budget Committee executive member. Mr. Kato fulfilled his proper role in this capacity." Surely, this is no way to improve ratings in the polls.

Town, Village Heads Election Reviewed

OW1804162395 Tokyo KYODO in English 1514 GMT 18 Apr 95

[FBIS Transcribed Text] Tokyo, April 18 KYODO—Nearly half of 612 towns and villages across Japan elected their new heads Tuesday [18 April] without voting in the absence of competing candidates on the day campaigning began for them in [words indistinct] round of nationwide local elections, official tallies showed.

The new heads of 294 towns and villages or 48 percent of the total positions being contested were declared the winners when nominations closed at 5 p.m.—28 less than in the previous polls in 1991, the Home Affairs Ministry said.

Campaigning also started Tuesday for assemblies in 1,268 towns and villages for a total of 20,149 seats, of which 2,943 or 14.6 percent were filled without vote, the ministry said.

Voting will take place next Sunday in tandem with elections for Tokyo ward chiefs and assemblies, as well as for 117 mayors and 383 municipal assemblies for which campaigning got under way Sunday, in the second stage of voting in local elections.

The first round of voting took place April 9, with voters deciding 13 governorships and the membership of 43 of the country's 47 prefectural assemblies.

Bank Predicts Yen Rise To Lower GDP Growth

OW1904084295 Tokyo KYODO in English 0815 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—Japan's gross domestic product (GDP) will grow less than 1 percent in fiscal 1995 if the yen stabilizes at an exchange rate of around 80 to the dollar, the Industrial Bank of Japan (IBJ) predicted Wednesday [19 April].

If the exchange rate continues at its present level, Japanese companies, especially exporters, are likely to resume cutting personnel and as a result, personal consumption may turn downward, the leading long-term credit bank said in its economic outlook for fiscal 1995 that started April 1.

In addition, there is a possibility that businesses and financial institutions will fail to improve their financial conditions as scheduled because the deflation of assets will continue, the bank said.

In such a case, GDP growth is very likely to fall short of 1 percent, it said.

GDP measures a nation's output of goods and services minus foreign income.

The bank also said Japan's GDP will grow 1.3 percent in fiscal 1995 if the yen stabilizes at around 90 to the dollar.

Given that exchange rate, the Japanese economy would continue to pick up, though slowly, with corporate capital spending expected to post the first yearly rise in four years while personal consumption should increase some 2.0 percent, almost unchanged from the previous year, the bank said.

100 Firm Presidents on Economic Prospects

OW1804125095 Tokyo MAINICHI SHIMBUN in Japanese 8 Apr 95 Morning Edition p 1

[FBIS Translated Text] The economic climate is undergoing drastic changes in the wake of the yen's sharp appreciation and a fall in stock prices. In late March, MAINICHI SHIMBUN surveyed presidents of 100 major enterprises on economic trends in 1995. According to the survey, half of the 100 presidents said: "The Japanese economy is on the path to a moderate recovery." Ninety percent of the surveyed said the Japanese economy would recover only on the short term, but it will not take a downturn. In this way, a great majority of the presidents surveyed took the view that the Japanese economy is in a firm phase of recovery. Yet 98 presidents said the yen's sharp appreciation since March is a "minus to the Japanese economy." They were deeply concerned about employment coordination and industrial hollowing out.

Asked to comment on the state of the Japanese economy, 50 presidents said: "The Japanese economy is now making a moderate recovery"; while 49 said: "The recovery remains flat." Only one president said: "The Japanese economy is on the downturn and is rapidly getting worse." Many of the presidents of automobile, energy, and financial companies, the demand for which is growing, took the view that the Japanese economy is recovering.

Asked to comment on the view held by some that the economic recovery has passed its peak and the economy will make a downturn soon, 69 presidents said: "We do not agree with that view"; whereas four presidents, including the presidents of Yamaha Corporation and Nippon Shinpan Company, took the view that "the economic recovery has passed its peak."

Asked when the economic recovery will actually be felt, 45 presidents said: "In October-November this year"; whereas 61 said: "Within this quarter," an indication that the top executives are taking an optimistic view of the economy. Twenty-one presidents said the economic recovery would actually be felt after April next year, thus revealing their disagreement on the recovery pace.

What is casting a dark cloud on the economy is the strong yen. Fifty-nine presidents said a drastically appreciated yen would be a minus to the economy while 39 said: "It will be a small minus"; with one president saying: "It will be a plus to the economy."

Abe Cautious About Effects of Rate Cut

OW1904115795 Tokyo KYODO in English 1024 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The top leader of Japan's electric power industry said Wednesday [19 April] he will continue to monitor the yen's exchange rate and crude oil prices before deciding whether to cut electricity rates.

Kohei Abe, head of the Federation of Electric Power Companies, said the industry is prepared to return the benefits of the strong yen to customers if the companies gain substantially from the yen's appreciation.

He objected to the idea of adjusting electricity rates monthly according to movements of the yen's value and oil prices.

Abe said such a step should be taken every three or six months because of the complicated calculation process.

MPT To Support Telecom Technology Programs

OW1804021895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Apr 95 Morning Edition p 4

[FBIS Translated Text] The Ministry of Posts and Telecommunications [MPT] will assist private sector technological development projects. Among them is one "using mobile radio for multimedia purposes"—technology that will enable the transmission of pictures and computer data via mobile radio.

One key project is to establish a base where domestic and foreign companies can work together on research and development programs at Yokosuka Research Park [YRP] in Kanagawa Prefecture. The ministry plans to provide assistance to this: 1) By providing personnel for its operation; 2) by applying the Private Industry Invigoration Law [minkatsuho] that provides such benefits as non-interest loans; and 3) by assigning exceptional experimental-purpose radio frequencies. The intention is to encourage the development of basic technologies in which Japan has been laggard.

In the area of using mobile radio for multimedia purposes, the capacity of radio transmissions will be raised, thus making it possible for mobile radio to be used for high-level car navigation, mobile picture-phones, and super-high-speed radio local area network (LAN) operations. This system will have better mobility than the existing wire communications system, and will enable communications to be made "at any time, in any place, and with anyone." Japan's industry in general has lagged behind those of the U.S. and European countries in basic technology for the system.

Given this condition, the MPT has decided to invite not only Japan's communications service companies and equipment makers but also the technologically-advanced U.S. and European makers to set up research operations at the YRP, which the Kanagawa prefectural and Yokosuka municipal governments and Keihin Electric Express Railway Company will play major roles in developing. The ministry hopes to create an environment there favorable for joint development of the communication systems that meet Japan's unique conditions.

In its first step, on 6 April the MPT named Shuzo Tokuda, former director general of the MPT Broadcasting Bureau, as chairman of the YRP Promotion Association, a body to promote and push for the concept. Before the end of this month, the ministry will approve the "Yokosuka Telecom Research Park," which will be the project's main research facility, as being qualified to be a beneficiary of the Private Industry Invigoration Law—enabling the organization to receive government subsidies and Japan Development Bank investment loans. In the fall of 1997 when all the facilities will have been completed, the MPT-participating "YRP Mobile Communications Infrastructure Technological Research Institute" will take up its place in the park. The ministry will also set up an office to facilitate the process of approving standard-certification for the testing equipment and appliances required at the facility.

Itochu To Join Satellite Phone System Project

OW1804150395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 9

[FBIS Translated Text] Itochu Corporation plans to begin a satellite-based portable telephone system in Japan in cooperation with AirTouch Cellular, a major U.S. portable communications corporation. Itochu and AirTouch will provide equal capital contributions to establish a planning company in early April. Through the planning company, which will be converted to a business corporation in September, Itochu will join the "Globalstar" project, in which AirTouch and U.S. Loral Corporation are also participating. More than 10 other business groups are also planning to develop satellite-based communications systems, which will allow users to make telephone calls from anywhere in the world on their portable phones. Such systems are expected to be put into practical use by the end of the century. Until now, there have been no Japanese companies joining the Globalstar project.

The business corporation to be established in September will be capitalized at about 1 billion yen. Investors other than Itochu and AirTouch are currently being sought in Japan. The companies will spend "about twice the level of capitalization" to build base stations, antennas, and other necessary facilities for a global communications network. They hope to start the service in mid-1998.

Kokusai Denshin Denwa Company (KDD) has established a planning company to join the "INMARSAT-P" project promoted primarily by European communications firms. In a similar way, DDI (Daini Denden Incorporated) is also participating in the "Iridium" project being carried out by U.S. Motorola and other companies. Japanese trading firms are participating in both projects. Itochu was waiting for a chance to join such a project.

North Korea

Ministry Issue Statement on U.S. Joint Exercise

SK1904134695 Pyongyang Korean Central Broadcasting Network in Korean 1212 GMT 19 Apr 95

[FBIS Translated Text] In connection with the fact that the United States plans to stage another new joint military exercise against us in South Korea, a spokesman for the DPRK Foreign Ministry today released the following press statement:

Press Statement by a Spokesman for the DPRK Foreign Ministry

The United States has further increased military moves aimed at our Republic.

The U.S. Department of Defense reportedly announced on 14 April that the U.S. Forces and puppet South Korean armed forces will stage a joint military exercise in South Korea from late April to mid-May.

Huge armed forces, including U.S. Forces in South Korea, the puppet South Korean armed forces, and overseas-based U.S. troops, as well as the latest military equipment, are said to be mobilized in an exercise aimed at carrying out a joint operation with reinforcements dispatched from overseas bases allegedly to cope with a so-called emergency on the Korean peninsula.

The U.S. scheme to stage a new joint military exercise against us, a variant of the 'Team Spirit' joint military exercise, is an insult to the sovereignty of our Republic, its dialogue partner; a gross violation [nanpokhan wiban] of the DPRK-U.S. framework agreement; and a challenge to our proposal for a new peace mechanism.

We are closely watching the U.S. dangerous military moves straining the situation of the Korean peninsula, and cannot but take legitimate countermeasures into account [ungdanghan taeungchochie taehayo koryo haji anulsu opta].

Still, after the DPRK-U.S. framework agreement was released, the United States systematically intensified its military pressure and threats against us, steadily reinforcing its Armed Forces in South Korea.

In March, the United States staged a large joint military exercise with the South Korean Navy in the seas near Cheju Island, mobilizing huge forces, including the infamous aircraft carrier Independence.

Recently, it worked out a dangerous anti-Republic war plan dubbed South Korea-U.S. Joint Defense Plan aimed at rapidly sending huge U.S. Forces, including five aircraft carrier flotillas, to the Korean peninsula from overseas bases in case a war breaks out on the Korean peninsula. It even gave to the media the operation plan that it worked out last year for a preemptive strike [sonje tagyok] on our nuclear facilities and total war [chonmyon chonjaeng].

What we cannot overlook now is why the United States is kicking up such a war commotion at a time when the DPRK and the United States are in sharp confrontation [paengpaenghui massogoinnun] due to the U.S. unreasonable assertion concerning the implementation of the agreement [habuimun ihaengmunjewa kwallyonhan migugui pudanghan chujang uro].

The main spirit of the New York joint statement adopted in June 1993, the Geneva agreement in August 1994, and the DPRK-U.S. framework agreement in October 1994 is that the United States renounces its hostile policy toward us.

In this spirit, the United States should have discontinued all military actions against the DPRK. However, it has staged military actions [kunsa haengdongdurul] against us more openly after the adoption of the agreement. This makes us conclude that there is no change in the real intention of the United States to isolate and crush [korip apsal] us.

We cannot but link this intention to the fact that the United States is persistently trying to involve South Korea in the provision of light-water reactors while insisting on the nonexistent South Korean-style light-water reactors.

The United States is pressuring and threatening [amnyokkwa wihyobul kahanun] us, even by mobilizing armed forces, to carry into practice the unjust demand [pudanghan yogu] they forced on us while raving about UN sanctions. It is clear that lurking behind this is a political aim to crush [apsal] us in league with South Korea, not to resolve the nuclear issue based on the framework agreement.

Our stand that we cannot receive South Korean-style light-water reactors stems from such a serious matter, and is an entirely righteous stand.

If the United States thinks it can stifle [nogyo naelsu] us by using South Korea, this truly is a mere foolish dream [orisogun mangsange chinaji anumyo] and will end in failure.

If it has no will to improve relations with us as it promised in the DPRK-U.S. framework agreement, we will feel it unnecessary to expect it, and what we have to do is to receive compensation for our freezing the independent nuclear power industry [uriui charipchok haektongnyok kongobul tonggyol hande taehan posangul padumyon].

The grave situation prevailing on the Korean peninsula shows that to put an end to the hostile warring relations [choktaejok kyojon kwangye] between the DPRK and the United States, establish a new peace mechanism, and get the U.S. troops withdrawn from South Korea is the fundamental question which should be urgently settled to ensure peace and security on the Korean peninsula according to the DPRK-U.S. framework agreement.

The implementation of the framework agreement, which includes the provision of light-water reactors, will be decisively affected by the solution to this question [kyongsuro chegongul pirothayo ibon habuimunui ihaengdo kyolgugun imunjeui haegyol yoha-e ttara gyolchongjok yonghyangul padulsu pake opsulgossida].

We will take all the necessary steps to establish a new peace mechanism on the Korean peninsula, the basic way of the resolution to the issue, and will take legitimate countermeasures against the enemy's challenge to it [urinun mujehaegyorui kibonbangdoin choson pandoesoui saeroun pyonghwabojang chegyerul suriphagi wihan piryohan modun taechaegul kangguhae nagal kossimyo irul pandaehanun chokturui tojone taehaesonon ungdanghan chochirul chwihaenagal kossida].

KCNA Version of Statement Noted

SK1904102495 Pyongyang KCNA in English 1013 GMT 19 Apr 95

["Legitimate Steps Will Be Taken Against Enemy's Challenge, DPRK FM Spokesman"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea released a statement today concerning the U.S. intensified military moves against the DPRK.

The statement says:

The U.S. Defense Department reportedly announced on April 14 that the U.S. Forces and the South Korean puppet army will stage joint military manoeuvres in South Korea from late April to mid-May.

Huge armed forces including U.S. Forces in South Korea, the South Korean puppet army and overseas-based U.S. troops, and sophisticated military equipment are said to be mobilized in the manoeuvres aimed at a joint operation with reinforcements dispatched from overseas bases allegedly to cope with "the case of emergency" in the Korean peninsula.

The U.S. scheme to stage another joint military exercise against the DPRK, a variant of the Team Spirit joint military exercises, is an insult to the sovereignty of the DPRK, its dialogue partner, a gross violation of the DPRK-U.S. framework agreement and a challenge to the DPRK's proposal for a new peace mechanism. We are keeping tabs on the U.S. dangerous military moves rendering the situation of the Korean peninsula strained and cannot but take into account legitimate countermeasures.

Still after the DPRK-U.S. framework agreement was published, the United States has systematically intensified military pressure and threat against the DPRK, steadily reinforcing its Armed Forces in South Korea.

In March, the U.S. staged a large-scale joint military exercise with the South Korean Navy in the sea near Cheju Island with the mobilization of huge armed forces including the infamous aircraft carrier Independence.

Recently, it worked out a dangerous anti-DPRK war plan dubbed "South Korea-U.S. Joint Defense Plan" aimed at rapidly sending huge U.S. Armed Forces including five carrier flotillas to the Korean peninsula from overseas bases in case a war breaks out in the peninsula. And it even gave to the press the operation plan it worked out last year for a forestalling attack on the DPRK's nuclear facilities and a total war.

What we cannot overlook now is why the U.S. is hell bent on such belligerent moves at a time when the DPRK and the U.S. are in sharp confrontation due to the U.S. unreasonable assertion concerning the implementation of the agreement.

The main spirit of the New York agreed conclusions adopted in June, 1993, the Geneva agreement in August and the DPRK-U.S. framework agreement in October last year is that the U.S. renounces the hostile policy towards the DPRK.

In this spirit the United States should have discontinued all the military manoeuvres against the DPRK. But it has staged military manoeuvres against the DPRK more openly after the adoption of the framework agreement. This makes us draw a conclusion that there is no change in the real intention of the United States to isolate and stifle the DPRK. We consider that it is motivated by such an intention that the United States is trying to involve South Korea in the provision of light water reactors [LWR], insisting on the non-existent "South Korean model" LWRs.

The United States is pressurizing and threatening the DPRK with the mobilization of even armed forces, in order to carry into practice the unjust demand they had forced on the DPRK, vociferating about "sanctions by the United Nations". Apparently lurking behind it is a political aim to stifle the DPRK in league with South Korea, not to solve the nuclear issue on the basis of the framework agreement.

Our stand that we cannot receive "South Korean model" LWRs stems from such a serious matter and it is an entirely righteous stand.

If the United States thinks it can stifle the DPRK by making use of South Korea, it is a foolish dream.

If it has no willingness to improve relations with the DPRK as it promised in the DPRK-U.S. framework agreement, we will feel it unnecessary to expect it and what we have to do is to receive compensation for our frozen independent nuclear power industry.

The grave situation prevailing on the Korean peninsula shows that to put an end to the hostile relations between the DPRK and the United States, establish a new peace mechanism and get the U.S. troops withdrawn from South Korea is the fundamental questions which should be urgently settled to ensure peace and security on the Korean peninsula according to the DPRK-U.S. framework agreement.

The implementation of the framework agreement including the provision of LWRs will be decisively affected by the solution to these questions.

We will take all the necessary steps to establish a new peace mechanism on the Korean peninsula, the basic way of the solution to the issue, and take legitimate countermeasures against the enemy's challenge to it.

ROK 'Scheming' To Stage Joint Exercises Viewed

SK1904050295 Pyongyang KCNA in English 0456 GMT 19 Apr 95

["Warmaniacs Must Act With Discretion"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—Papers here today hit out at the South Korean puppets for scheming to stage joint military exercises with outside forces from late April to mid-May to allegedly cope with the "event of contingency" on the Korean peninsula.

NODONG SINMUN says this shows that the warmaniacs' moves to hamper national reconciliation and unity and carry the situation on the Korean peninsula to a brink of war have reached a very dangerous stage.

The analyst goes on:

It cannot be overlooked that this joint military exercise is a duplication of the "Team Spirit", a test nuclear war.

The traitorous Kim Yong-sam clique's plan to stage the "second Team Spirit" in league with outside forces is no more than an anti-peace, anti-dialogue, anti-reunification and anti-national criminal act openly negating peace and reunification.

Lurking behind it is an attempt to get on nerve of the North, deliberately aggravate the situation on the Korean peninsula and lay an obstacle to the implementation of the DPRK-U.S. framework agreement.

The treacherous color of the Kim Yong-sam group, which want neither the resumption of North-South dialogue nor the solution of the nuclear issue on the Korean peninsula has been revealed once again. But the warmaniacs are making a serious mistake.

We neither want war nor beg peace of the enemy. Any military pressure and sanction cannot work on us. We are fully prepared for reckless war manoeuvres of the enemy. If the enemy falls on us we will deal a thousand blow at it.

An analyst of MINJU CHOSON warns: We will watch the reckless war racket of the Kim Yong-sam group with vigilance and deal an annihilating blow at them if they forestall us.

ROK's 'Military Provocation' in DMZ Denounced

SK1904043895 Pyongyang KCNA in English 0430 GMT 19 Apr 95

["Military Provocation in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The South Korean puppets on Monday introduced 90 mm recoilless guns and large-calibre machine guns and several hundred armed bandits into the Demilitarized Zone [DMZ] in the eastern and western sectors of the front, inciting a warlike atmosphere of confrontation, according to military sources.

Such reckless military provocation of the South Korean puppets seriously threatened the safety of civil policemen of the North side and further aggravated the situation in the demilitarized zone.

They must stop running amuck, deeply mindful of the grave consequences to be entailed by the aggravation of the tension in the Demilitarized Zone, and withdraw the illegally introduced heavy weapons and armed bandits at once.

Pomminnyon General Secretary Meets Officials

SK1904051395 Pyongyang KCNA in English 0445 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—General Secretary of the National Alliance for the Country's Reunification (Pomminnyon) Yim Min-sik on Tuesday called at the North side headquarters of Pomminnyon and met with chairman of the headquarters Paek In-chun, its presidium members and secretariat officials.

They discussed measures for the opening of the 6th pan-national rally decided at the 3d meeting of the co-presidium of Pomminnyon held in Beijing some time ago and the opening of a grand national reunification festival on the 50th anniversary of national liberation.

Nuclear States Urged Toward Nonuse of Weapons

SK1904102995 Pyongyang KCNA in English 1020 GMT 19 Apr 95

["NODONG SINMUN Calls For Authentic, Unbiased Commitment of Nuclear Powers"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The major nuclear powers recently issued statements and forced the U.N. Security Council to make public Resolution No. 984 on the guarantee for the security of the non-nuclear states of the Nuclear Non-Proliferation Treaty (NPT). Commenting on this, NODONG SINMUN today says all this is unrestrained by international law.

The current resolution made by the nuclear powers has not caused a stir at all because their commitment is unrestrained by international law and mere window dressing with no authenticity, the analyst says, and goes on:

The commitment is not unconditional.

What is important is that they must pledge themselves not to use nuclear weapons under whatever circumstances. The nuclear powers, however, excluded from the non-use of nuclear weapons a case when they and their allies are exposed to nuclear attack. This tells that they may use nuclear weapons in their interests if necessary and there is a room for them to nullify the commitment to the non-use of nuclear weapons. They declared that they would help non-nuclear nations in case of nuclear attack to them. This presupposes the use of nuclear weapons.

Worse still, the nuclear powers talked about possibility of the use of nuclear weapons by any other countries rather than their nuclear attack in a bid to justify their use of nuclear weapons.

The commitment to the non-use of nuclear weapons should be equal and impartial, and double standard should not be allowed in this regard.

Nuclear weapons should not be a monopoly and a "diplomatic card" of the particular countries. We always hold that in order to avert proliferation of nuclear weapons, nuclear threat and nuclear war and realise a comprehensive nuclear disarmament the production and use of nuclear weapons should be banned and all the nuclear weapons should be dismantled. To this end, the nuclear powers should carry this into practice.

An ounce of practice is worth a pound of theory.

It is an unreasonable act for them to attempt to smoothly hold the conference on the extension of the NPT by making a conditional commitment to the non-use of nuclear weapons which is unrestrained by international law, keeping mum about the dismantling of the nuclear weapons and to seek nuclear monopoly.

'Forces' Said Trying To Block Talks With Japan

SK1904104695 Pyongyang KCNA in English 1040 GMT 19 Apr 95

["DPRK-Japan Talks Needs Japan's Sincere Attitude"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—Some forces of Japan are trying to block the resumption of DPRK-Japan negotiations, going against the trend of the times and the desires of people. The development of negotiations and relations between the DPRK and Japan entirely depends on Japan.

MINJU CHOSON today says this in a signed article captioned "Agreement Must Be Implemented."

The article calls attention to the fact that after the adoption of the agreement for the resumption of DPRK-Japan negotiations some forces of Japan are crying that they will not keep a promise as regards post-war compensation which is laid down in the three-party joint declaration and spreading rumours to link the resumption of DPRK-Japan negotiations with the provision of light water reactors to the DPRK and the inter-Korean relations.

Revealing the unreasonableness of their schemings, it recalls that the four-party agreement was a document agreed upon and adopted by the ruling parties of the two countries, the document that was aimed at resuming the intergovernmental talks between the two countries for the normalisation of diplomatic relations.

A basic solution to the problem of DPRK-Japan relations is that Japan makes an apology and compensation for the colossal damages and disasters it inflicted upon the Korean people in the past, before the normalization of diplomatic relations, it says.

The provision of light water reactors and the inter-Korean relations are alien to the relations between the DPRK and Japan and no one can deny that Japan is not entitled to say this or that as regards the provision of light water reactors and the inter-Korean relations, it says, adding:

Judging from the matters brought forward by some forces of Japan at a time when the resumption of the intergovernmental negotiations between the two countries is on the order of the day, we can say all this is part of the manoeuvrings to avoid making an apology and compensation which are basic in solving the problem of DPRK-Japan relations and to bring the negotiations to a rupture again with unreasonable preconditions.

Hwang Chang-yop Holds Talks With Thai Delegates

SK1804151595 Pyongyang KCNA in English 1510 GMT 18 Apr 95

[FBIS Transcribed Text] Pyongyang, April 18 (KCNA)—Talks were held between a delegation of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea and a delegation of the Foreign Affairs Committee of the House of Representatives of the Kingdom of Thailand at the Mansudae Assembly Hall today.

Present there on the Korean side were chairman of the SPA Foreign Affairs Committee Hwang Chang-yop and officials concerned and on the opposite side were members of the delegation led by Chairman of the Foreign Affairs Committee Suthin Nophaket [spelling of name as received].

The two sides discussed the development of friendly and cooperative relations between the two parliaments.

The Thai delegation arrived here today.

Thai Delegations Visit Kim Il-song Statue

SK1904045295 Pyongyang KCNA in English 0432 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The delegation of the Foreign Affairs Committee of the House of Representatives of the Kingdom of Thailand led by Suthin Nophaket, chairman of the committee, and the Thai Government economic delegation headed by Minister of Commerce Uthai Pimchaichon on a visit to Korea called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on Tuesday and paid homage to him.

They laid a floral basket and bouquets and made a bow before the statue with deep respect and reverence for him.

People's Assembly Hosts Thai Delegation Party

SK1904044395 Pyongyang KCNA in English 0428 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The Foreign affairs Committee of the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea hosted a party at the Mansudae Assembly Hall on Tuesday for the delegation of the Foreign Affairs Committee of the House of Representatives of the Kingdom of Thailand on a visit to Korea.

Invited there were members of the delegation led by Chairman of the Foreign Affairs Committee Suthin Nophaket [name as received].

Present there were chairman of the Foreign Affairs Committee of the SPA Hwang Chang-yop and officials concerned.

Hwang Chang-yop and Suthin Nophaket made speeches at the party.

State, Party Leaders Support People's 'Cause'

SK1804151195 Pyongyang KCNA in English 1508 GMT 18 Apr 95

[FBIS Transcribed Text] Pyongyang, April 18 (KCNA)—Foreign state and party leaders, when they met the DPRK ambassadors, expressed solidarity with the just cause of the Korean people for socialist construction and the independent and peaceful reunification of the country.

Noting that he is rejoiced over Korea's expanded foreign relations and its great achievements in the economic construction, Yoweri Kaguta Museveni, president of the Republic of Uganda, voiced solidarity with the just cause of the Korean people for the independent and peaceful reunification of the country.

Sani Abacha, head of state and concurrently commander-in-chief of the Armed Forces of the Federal Republic of Nigeria, said he hopes that Korea will be reunified at an early date in accordance with the proposal of reunification advanced by the great leader President Kim Il-song.

Noting that the Korean people have achieved signal successes in socialist construction and vigorously struggled to reunify the country without fail in the 90's under the wise leadership of his excellency dear Kim Chong-il, Honorato Lando, chairman of the Liberal Democratic Party of Angola, voiced firm support for and solidarity with the struggle of the Korean people.

Betty Frydensbjerg Carlsson [spelling of name as received], chairperson of the Communist Party of Denmark, said that socialism is making a long drive in Korea where the imperialists' moves are getting more undisguised than in any other part of the world. This clearly shows the policies of the Workers' Party of Korea are just and its leadership is wise, she stressed, adding:

"We will as ever take sides with the Korean people and further strengthen the movement of solidarity with the Korean people."

More Foreign Support Voiced

SK1904110095 Pyongyang KCNA in English 1053 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—Foreign state and party leaders voiced support to the just cause of the Korean people when they recently met with DPRK ambassadors to their countries.

Ghanaian President Jerry John Rawlings said they wished Korea would demonstrate the great might of the united people to the world by continuing to advance invariably without any vacillation under the guidance of Comrade Kim Chong-il, the successor to the idea and cause of President Kim Il-song.

"Ghana will continue to extend support and solidarity to the Korean people in their struggle to defend the sovereignty of the country and achieve the reunification of the country," he said.

Acting King of Jordan Hasan Bin-Talal had this to say:

"The death of the great President Kim Il-song is a big loss not only to the Korean people but also to the Jordanian people.

"I wish the Korean people success in their struggle for the prosperity and reunification of the country."

Agustin Mantilla Campos, secretary general of the National Executive Committee of the American Popular Revolutionary Alliance of Peru, stated that all things are going well in Korea because the great leader Comrade Kim Chong-il is carrying forward the cause of the great leader Comrade Kim Il-song.

"We will invariably support the cause of the Workers' Party and the people of Korea in the future, too," he stressed.

Rolf Hagel, chairman of the Workers' Party-Communists of Sweden, said:

We sincerely congratulate the Korean people on the great victories they won one after another in the improvement of relations with the United States and Japan under the wise guidance of the great leader Comrade Kim Chong-il.

Letter Sent To Participants of Apr Art Festival

SK1804150695 Pyongyang KCNA in English 1503 GMT 18 Apr 95

[FBIS Transcribed Text] Pyongyang, April 18 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea sent letter on Tuesday [18 April] to foreign artistes and overseas Korean artistes who were participating in the 13th April Spring Friendship Art Festival.

The letter said the April Spring Friendship Art Festival has become a large-scale annual art festival with an attendance of many world famous artistes, thanks to the joint efforts of all the participants.

It noted:

The participants in the current festival presented many pieces of songs highly praising the great leader Comrade Kim Il-song and warmly expressed their ardent reverence for him. This positively supports and greatly inspires the Korean people in their vigorous struggle to accomplish the revolutionary cause of chuche, true to the behests of the great leader, holding him in high esteem forever.

Living up to the expectation of foreign artistes from the five continents of the world, the Korean people will push ahead with socialist construction and the cause of national reunification along the road indicated by the great leader Comrade Kim Il-song and actively develop the friendly and cooperative relations with the world progressive people in conformity with the noble idea of independence, peace and friendship.

Festival Performers Send Letter to Kim Chong-il

SK1904043595 Pyongyang KCNA in English 0424 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The great leader Comrade Kim Chong-il received a letter from the participants in the 13th April Spring Friendship Art Festival.

The letter dated April 18 says:

"Last year we unexpectedly lost his excellency the great President Kim Il-song, master of thought and leadership and our teacher who indicated the way of the struggle for happiness of humankind and source of strength. But he will always be with us and his great idea will become a bright beacon for us all forever.

"During our stay in Korea, we witnessed the Korean people doing everything smoothly in a very stable situation under your great idea and seasoned leadership, Comrade Kim Chong-il, though they lost his excellency the great President Kim Il-song."

In the letter, they express the belief that the Korean people under the wise leadership of Comrade Kim Chong-il will build chuche-based creative socialism and win in the efforts to reunify the country independently and peacefully under the ten-point programme of the great unity of the whole nation for the reunification of the country laid down by His Excellency President Kim Il-song.

"We will express positive support and solidarity for the just cause of the Korean people and continue to participate in the future April spring friendship art festivals in order to strengthen friendship with the Korean people including men of culture and art," letter adds.

The letter sincerely wishes Comrade Kim Chong-il good health and a long life.

Kim Chong-il Sends Thanks to Officials, People

SK1904043495 Pyongyang KCNA in English 0426 GMT 19 Apr 95

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the Central Committee of the League of Socialist Working Youth (LSWY), the general bureau of reception for overseas compatriots, the South Hamgyong Provincial committee of the LSWY, the Namchongjin Senior Middle School in Ranam District, Chongjin city, North Hamgyong Province, Yun Chol-ho of the state External Economic Affairs Commission and other units, officials and working people for their active support to the Komdok mining complex.

*KPA Loyalty to Kim Chong-il Stressed

952C0088A Pyongyang NODONG SINMUN in Korean 20 Dec 94 p 2

[Article by Han Chol-pae: "Our People's Army Is Revolutionary Armed Forces Infinitely Loyal to the Respected and Beloved Comrade Supreme Commander"]

[FBIS Translated Text] Today, under the care of its respected and beloved comrade supreme commander, our Korean People's Army [KPA] is well known as an invincibly mighty army with high dignity and glory.

Never in its long and glorious history has the KPA been so powerful and its future so boundlessly bright as today. Its ever-victorious power represents its politico-ideological superiority and is based on its infinite loyalty to, and its readiness to fight on staunchly for, the respected and beloved supreme commander Comrade Kim Chong-il.

The historic 19th plenum of the Central Committee of the Workers Party of Korea, held three years ago, installed Comrade Kim Chong-il, the great leader of our party and people, in the high post of KPA supreme commander. It was the brilliant fruition of a unanimous desire of all KPA officers and men and all our people and an epoch-making event of important significance in the development of our revolutionary Armed Forces and the attainment of our revolutionary cause of chuche. KPA officers and men and the people received this great national honor and happiness with deep, seething emotions and jubilation, renewing their burning resolve to rally even more closely around the comrade supreme commander, resolutely defend and adhere to the cause of our way of socialism, and fight on to the end to attain it. Today, complying with the intent and teachings of the late fatherly leader, they uphold Commander-in-Chief Kim Chong-il, the respected and beloved supreme commander, with wholehearted loyalty and piety, adding to its valued achievements and performances along the way.

The course followed by the KPA with the supreme commander Comrade Kim Chong-il at the helm is the annals of the continued development of invincibility for the KPA.

The great leader Comrade Kim Il-song taught as follows:

"When Comrade Kim Chong-il became the supreme commander of the KPA, officers and men and all our people were very happy and welcomed the news enthusiastically. With him installed as the supreme commander, the power of the KPA has further increased and the morale of our people has risen even higher."

The loyalty to Commander-in-Chief Kim Chong-il, the supreme commander, is the source of the KPA's invincible power.

In a revolutionary army, loyalty to its leader, its supreme commander, is a basic factor that determines its might and combat power.

Revolutionary army is founded by a leader; it grows and develops under the leadership of its supreme commander. Its fundamental mission is to protect and defend the cause of its leader, its supreme commander. A key to the revolutionary army being ever-victorious and able to crush the aggressive maneuvers of an enemy with an invincible combat power lies in its infinite loyalty to the leader.

In a revolutionary army, its politico-ideological superiority is an essential one. For it to be politically and morally sound and grow into a resolutely invincible fighting force, the entire army is required to cherish the loyalty to its supreme commander as its faith. Loyalty is a fundamental factor defining the politico-moral features of an army. Each and every noble politico-moral feature of a revolutionary army—such as the ethos of unconditional loyalty to orders and directives of the supreme commander, the tenacious revolutionary spirit, the unrivaled self-sacrificing spirit, and the warm camaraderie, courage and boldness—is formed and brought into full play on the foundation of loyalty, the loyalty to the leader. Historical experience shows that the politico-moral features and power of a revolutionary army are determined by its loyalty to the leader.

The KPA is an invincible revolutionary armed forces with Commander-in-Chief Kim Chong-il, the iron-willed commander, leading it as the supreme commander.

The KPA and the comrade supreme commander are one and undivided, with all the officers and men rallying around him in one mind and acting as one. It is an invincible force full of the spirit of loyalty; if it comes to an order or directive of the supreme commander, the whole Army rises like a mountain and carries it out to the end unconditionally. Firmly established in the Army is a revolutionary chain of command that can ensure the unitary leadership of the comrade supreme commander in the entire Army. Also established among all the officers and men is the loyalty to the comrade supreme commander built into their faith, and an iron discipline ensuring that they move as one once he issues his order or directive. Thus, the KPA has taken on absolutely perfect features as the Army of Commander-in-Chief Kim Chong-il, the supreme commander, and its politico-military might has been further consolidated and made even more invincible.

Demonstrating the invincible might of the KPA most clearly is the fact that the entire Army fights on vigorously with single-hearted loyalty to Commander-in-Chief Kim Chong-il, the supreme commander, and is ready to be human bullets and shells to protect him.

Our revolutionary Army is the Army of the great leader, the comrade supreme commander. As one cannot think of any human existence or human activity lacking the brain, it is impossible to consider the existence and the power of a revolutionary Army away from its supreme commander. For members of a revolutionary army, defending and protecting its leader is a matter more important than their own lives.

Commander-in-Chief Kim Chong-il, the respected and beloved supreme commander, is the destiny of our party and revolution, and our fatherland and people, as well as of the KPA. It is the banner of victory for our way of socialism.

Thanks to the supreme commander Comrade Kim Chong-il's taking the helm of our party and state and the revolutionary Armed Forces, our people and KPA officers and men could overcome the suffering caused by the loss of the respected and beloved leader and are accelerating the revolutionary cause of chuche energetically, with vigor and courage a hundred times and a thousand times as great. KPA officers and men hold out the philosophy, which is engraved on their hearts through practical struggles, that as long as they have with them the supreme commander Comrade Kim Chong-il—who possesses brilliant wisdom, preeminent resources, unparalleled courage, an iron will, and an outstanding art of leadership—they have nothing to fear and will surely defeat any enemies, however formidable. Therefore, everyone in the KPA today, from enlisted men to general grade officers, is determined firmly and wholeheartedly to be human bullets and shells if it comes to protecting and defending the comrade supreme commander. All officers and men consider it the greatest glory and honor to live and fight as the comrade supreme commander's soldiers, willingly sacrificing their youth and lives if it is for the comrade supreme commander. This great spiritual power that firmly prevails throughout the Army has reached its loftiest plane in the long and glorious history of our revolutionary Armed Forces; it has become a powerful factor enabling the heroic KPA to attain the highest stage in its development.

The KPA today is filled with the same loyalty shown by those revolutionary martyrs in the days of the anti-Japanese armed struggle, who blocked enemy bullets with their bodies or bit out their tongues to protect the safety of the command headquarters. KPA officers and men are now shouting from the bottom of their hearts the slogan of loyalty vowing to fight and die for the comrade supreme commander. The slogan shows the struggle and life-style motto of the KPA officers and men who always bear in their hearts the honor and pride of being revolutionary soldiers for Commander-in-Chief Kim Chong-il, the supreme commander, and who are determined to live and fight forever as revolutionary soldiers to protect and defend the comrade supreme commander with their lives. In the KPA, there are true soldiers like Hong Kyong-ae, deputy platoon leader and a Heroine of the Republic, who died a heroic death guarding the portraits of the Great Leader and Commander-in-Chief Kim Chong-il, the supreme commander, under unexpected, dangerous circumstances. There are indefatigable revolutionary soldiers like KPA Colonel Son Ki-hyon, who, despite an incurable disease that made it difficult for him to move around, devoted himself to the very end of his life to building up the combat power of his unit and, by doing so, showed how a revolutionary fighter upholding the great leader should be in his posture and position. And there are old soldiers like Comrade Kim Chong-mun of the Kim Chaek Air Force Academy, who, while working for 40 years as a military man and as a party-cell secretary responsible for an infrastructural organization of the party, has upheld the supreme commander Comrade Kim Chong-il with his unyielding faith of being forever loyal to the great leader.

Indeed, the readiness of KPA officers and men to die it is for the supreme commander Comrade Kim Chong-il is a noble feature and disposition with no parallel in the history of any army in the world. Because they live and fight with that preparedness, they rose in a resolute struggle to fight for the well-being and longevity of the comrade supreme commander when the fatherly leader died, firmly determined that the victory of our revolution lies in their upholding the comrade supreme commander with their loyalty. Each day they live is a day of loyalty, with the gun of revolution held firmly in their hands to protect and defend the comrade supreme commander. Among them, there was a commanding officer who, before dying of an incurable illness, kept repeating his earnest request to colleagues until the last moment that they serve the comrade supreme commander even more faithfully. Also, many soldiers died in the line of duty on their post of revolution holding to it to the end, singing the song of the Comrade Supreme Commander.

Commander-in-Chief Kim Chong-il, the supreme commander, highly appreciating the lofty spiritual world of those officers and men, personally bestowed the confidence in them that he will always be with the KPA, and that as long as he is with them, there is nothing in the world that cannot be done nor any formidable enemies that cannot be crushed instantly.

The supreme commander firmly trusts the soldiers; the soldiers absolutely worship, rely on, and uphold their supreme commander. This is the true picture of the KPA in which the supreme commander and the members of the KPA are united as one. In the KPA, all members place their entire destiny in the hands of its leader; they regard the unitary leadership of the comrade supreme commander as precious as their own lives and are ready, single-heartedly, to be human bullets and shells to protect and defend the comrade supreme commander. Nowhere else exists a fighting force as loyal as that.

The KPA's invincible might is also seen clearly in the fact that all its members form the ranks of iron united as one around the comrade supreme commander.

In order for a revolutionary army to become an invincible fighting force always victorious against its enemies, it should be united as one around its supreme commander. That sort of unity is a decisive factor affecting the existence and strength of the revolutionary army. The great wholehearted unity of our Army around the comrade supreme commander is the unity of ideological will. It shows that all the officers and men cherish the ideology and will of the comrade supreme commander as their faith engraved on their hearts; it means being one in body and spirit forever, fighting their way vigorously through any storms.

Because of his great ideology and leadership, his noble character and personality, Commander-in-Chief Kim Chong-il, our supreme commander, firmly captured the hearts of the KPA officers and men as the great leader of our party and state and of our revolutionary Armed Forces. He possesses the high leadership quality of authority and prestige. The wholehearted unity of our revolutionary Armed Forces is rooted in the greatness of Commander-in-Chief Kim Chong-il, the supreme commander, in his preeminent features as leader, and in his profound solicitude and warm love for the revolutionary fighters. Officers and men of the KPA have come to unite firmly around the dear Comrade Kim Chong-il in one mind and one will, deeply trusting him and absolutely relying on him—through their experiences in actual life—as the benevolent father to lead them with the whole responsibility for their destiny and future.

The KPA's wholehearted unity around the comrade supreme commander is growing even firmer today, adding to its invincibility. Officers and men, who unexpectedly lost the fatherly leader, absolutely believe and follow the comrade supreme commander as the benefactor to whom they owe their lives, and as the great guardian of their destiny, with the rock-firm faith that the dear comrade leader is the fatherly leader himself. They have become a force of loyalty, taking the lead in implementing the intent and plans of the comrade supreme commander, chanting with all their hearts "If we don't have you, we don't have our fatherland."

In the KPA today, commanding officers and enlisted men, all as revolutionary fighters alike, hold dear and love one another, sharing their fate, joys and sorrows as they forge ahead upholding the comrade supreme commander. Commanding officers always hold dear and love enlisted men as if they were their own flesh and blood, while the latter respect and follow the former as if they were their true elder brothers. Party members actively help and lead Socialist Working Youth League [SWYL] members while SWYL members, as the youth vanguard, creditably fulfill party-assigned military duties following examples set by party members. Thus, the KPA today embodies the unity of ideological will in which commanding officers and enlisted men, party members and SWYL members share their fate, joys, and sorrows.

The rock-firm faith of KPA officers and men upholding the comrade supreme commander's ideology of unity between the Army and the people has become a basic factor consolidating the kindred ties among the leader, the Army, and the people into invincibility. In the entire Army today, this ideology of the leader is showing its full results; all its officers and men have become true sons and daughters of the people ready to give them their lives.

Another fact powerfully demonstrating the invincible might of the KPA is that all its officers and men have the revolutionary faith engraved on their hearts for upholding the great cause of the supreme commander Comrade Kim Chong-il with their loyalty under any circumstances.

Revolutionary faith is the life and soul of a revolutionary army. A revolutionary army—destined to fight its way through severe ordeals and often to fight make-or-break battles with enemies—is required above all to be firm in its revolutionary faith for the cause of its leader. An army that is precise and thorough with its revolutionary faith can defeat any imperialist foe, however powerful, and protect and defend the cause of its leader under any difficult circumstances, attaining it ultimately.

The great cause of the supreme commander Comrade Kim Chong-il is a sacred one for successfully advancing and ultimately attaining the socialist cause of chuche charted by the Respected and Beloved Leader.

Officers and men of the KPA today are full of the revolutionary faith in their mission to uphold the leadership of the comrade supreme commander with their loyalty and fight to the end to attain the revolutionary cause of chuche. It is their rock-firm pledge to uphold the great cause of the comrade supreme commander with faith and integrity, as did the anti-Japanese revolutionary martyrs like Kim Hyok and Cha Kwang-su, the

10 party members of Nakwon, and the Taesong Grandma. It is their unblemished, pure resolution to place their destiny entirely in the hands of Commander-in-Chief Kim Chong-il, the supreme commander, and uphold him to the end of the world. It is their firm will to live by the pledge made to the leader to the end, and their do-or-die resolution to fight any raging storms to accomplish the leader's cause.

As seen in the wholehearted pledge made by the eight brothers and sisters of KPA officer Yi Chang-ung, and Comrades Kim Chol-chin and Kim Kyong-chol, members of the Korean People's Security Forces, in their letters to the comrade supreme commander, it is the unswerving loyalty of the officers and men of our Army to live and fight as faithful subjects and filial sons upholding the great leader with faith and integrity. This is precisely the element that makes their ideological, spiritual world so noble and their faith and will so unswerving.

The intent and plans of the supreme commander Comrade Kim Chong-il are 100 percent the faith and will of the KPA officers and men, and the might of the KPA itself has grown firmest and toughest on the foundation of this faith.

The slogan "Once the party decides, we do it!" held aloft by KPA officers and men echoes their indomitable fighting spirit to uphold the intent and plans of the comrade supreme commander as the supreme order for them and to brave a burning river or swampy trail if it is the path to which he points. Such being the pledge and fighting spirit with which they are burning, they are successfully carrying out their resolve of loyalty, taking upon themselves the tasks of both national defense and socialist construction.

In the past, KPA officers and men, upholding the grand socialist construction plans of the comrade supreme commander and his leadership, have performed heroic exploits in building great monumental Workers-Party-era creations, including the West Sea floodgate, the Kwangbok and Tongil streets, the Three-Revolution Exhibition Hall, and the War Victory Monument. And now, they are performing amazing miracles and innovations every day in the Chongnyu Bridge second-phase construction and the Kumnung No. 2 tunnel project, upholding the order of the comrade supreme commander wholeheartedly. The brilliant creations adding luster to the Workers Party era are permeated with the indomitable faith of KPA officers and men and their devoted struggle to glorify the cause of the comrade supreme commander with their exploits.

With the great pride and confidence that they have the dear Comrade Kim Chong-il as the supreme commander of our revolutionary Armed Forces, KPA officers and men are determined to fight on to attain the cause of the comrade supreme commander. Their faith and will are so firm that they will remain absolutely unswerving even if the world turns topsy-turvy a hundred times or the earth breaks into pieces.

Also powerfully demonstrating the invincible might of the KPA is the fact that with the revolutionary iron ethos established in the entire Army, once the comrade supreme commander issues his order or directive, it will be carried out unconditionally and uncompromisingly through to the end.

For a revolutionary army to develop an invincible might, it indeed needs to be well armed but, more importantly, it should be ideologically well prepared to forge ahead to the end unconditionally when it comes to implementing the order or directive of its supreme commander. Only when its ideological preparedness is precise and thorough and its fighting spirit high, will it be able to hold the gunstock steady and successfully implement the intent and plans of the leader against any difficulties.

In the KPA today, the revolutionary ethos of absolutism and unconditionality is firmly established as its officers and men are ready to jump into fire and water unhesitatingly to thoroughly carry out the orders and directives of the comrade supreme commander. The KPA's revolutionary ethos means the unswerving faith for orders and directives of the comrade supreme commander, and the strong discipline knowing of absolutely no compromise. It is a powerful ethos with which the entire Army rises like a mountain.

The unity of ideological will and the solidarity of action with which the entire Army moves as one by order of the respected and beloved comrade supreme commander, precisely constitute the proud features of the KPA.

Comrade Han In-chol of the subunit to which Comrade Pak Pong-chin belongs, faithfully devoting himself to military duties and regarding orders and directives of the respected and beloved comrade supreme commander as his life and soul, kept running his training course until he lost his breath. Comrade Chu Nam-su of the subunit to which Comrade Cho Man-sik belongs laid down his precious life in the process of carrying out an order for him; he still held the steering gear of his armored vehicle in his hand when he died. Our Army also has fine political functionaries like Comrade Kim Chol, who, with the indomitable faith engraved on his heart that one even has no right to die before carrying out the order of the comrade supreme commander, held on to the control stick of his plane until the last moment of his life, enduring severe pain like a superman. He thus set an example inspiring his colleagues. Known and unknown heroes who forever live their youthful days in the memory of the fatherland and people and who are recorded as loyal subjects in the history of our revolutionary Armed Forces—among them, Comrades Han Yong-chol, Kil Yong-cho, Yu Kyong-nam, and An Tong-hyok—showed through their actions how the military personnel of the 1990's should act to carry through orders and directives of the comrade supreme commander.

The deep loyalty of KPA officers and men is rooted in the greatness of Commander-in-Chief Kim Chong-il, the supreme commander, who devotes everything in his power to the strengthening and development of the revolutionary Armed Forces, and in his extraordinary leadership and noble features.

The loyalty and might of a revolutionary army is inseparably related with how great its supreme commander is and how wise his leadership is. The might of a revolutionary army is represented by none other than the greatness of its supreme commander. A great army and its invincible ranks with unswerving loyalty and iron discipline grow under the guidance of a great commander.

Commander-in-Chief Kim Chong-il, the supreme commander, who early in his life put forth the creative military development plan calling for the chucheization of the entire Army, has energetically led the KPA to fulfill its mission and role as the Army of the leader, the Army of the party, and the Army of the people both in name and reality. In every phase of development in our revolution, all issues emerging in the development of the Armed Forces—ranging from strengthening the political indoctrination program to fostering firm, revolutionary core elements, modernizing arms and equipment, and developing and enriching the chuche-oriented military ideology and strategies and tactics—are brilliantly resolved by Commander-in-Chief Kim Chong-il, the supreme commander.

The bosom of Commander-in-Chief Kim Chong-il, the supreme commander, is an infinitely affectionate bosom warmly embracing KPA officers and men, bestowing most precious political life on them all and endlessly adding luster to it, and fostering them into a valiant, matchlessly courageous one-a-match-for-100 fighting force. KPA officers and men, embraced in the great commander's affectionate bosom, are acquitting themselves fully of their mission as the party's revolutionary Armed Forces while enjoying their worthy life and infinite happiness to their hearts' content.

For KPA officers and men, it is a lofty ideological and mental feature that cannot be stripped from them, and a revolutionary ethos filling the entire Army to overflowing that they have Commander-in-Chief Kim Chong-il, the supreme commander, high at the helm of our party and revolution and that they uphold his leadership with their loyalty in accordance with the teachings of the fatherly leader, during his lifetime and in his last instructions. All the KPA officers and men—from the anti-Japanese veterans who staunchly fought in the days of the anti-Japanese war, revering the lodestar of Mt. Peaktu, to the veterans of the Fatherland Liberation War to the new-generation of servicemen—trust and follow Commander-in-Chief Kim Chong-il, the supreme commander, firmly and single-heartedly, all burning with one resolve to share their fate, joys, and sorrows with him.

The song "Uphold Our Supreme Commander With Our Arms," sung by members of the KPA at any time and at any place today, depicts their boundless respect and admiration for and their absolute confidence in the comrade supreme commander.

The fact that the KPA today is filled with the faith of faithfulness has become the source of its invincible might that firmly guarantees triumphant advances in the cause of our way of socialism. Even amid the confrontation with the powerful imperialist aggressors, our people are firmly protecting and adding luster to our way of socialism, thanks to the fact that they have such a reliable revolutionary Army as the KPA which is infinitely loyal to its leader. Our party adheres to the revolutionary doctrine and principles of socialism resolutely and steadfastly in any storms and is advancing the revolutionary cause of chuche triumphantly. That is also thanks to the fact that it has the one-a-match-for-100 revolutionary Army.

Because they have with them the heroic KPA, the invincible fighting force that can defeat any formidable imperialist enemy, our people always feel secure and are confident that they can ultimately attain the revolutionary cause of chuche.

For our party and people, it is their great pride and honor to have the heroic KPA with them, the ranks of loyalty in which the entire Army is united in one mind around Commander-in-Chief Kim Chong-il, our supreme commander, and moves as one.

*Loyalty to Kim Chong-il Cements Army, People

952C0095A Pyongyang NODONG SINMUN in Korean 23 Dec 94 p 3

[Article by Sin Un-chol: "Kindred Ties Being Cemented Between the Army and the People in the Course of Upholding the Supreme Commander"]

[FBIS Translated Text] The kindred ties between the Army and the people solidify as the revolution progresses, and this is one of the magnificent features of our society, which has the dear Comrade Kim Chong-il as the supreme commander. The officers and men of our people's Army [KPA] love the people and risk their lives to protect the lives and properties of the people, while the people are supporting the KPA wholeheartedly, regarding it as their blood relation. At no time in the long, arduous and glorious history of our revolutionary Armed Forces, were the kindred ties between the people and the Army as solid as they are now.

It is because the Army and the people were bonded together around the respected and beloved supreme commander in one mind that the KPA is strong, that our party is powerful, and that our way of socialism is ever victorious.

The dear leader Comrade Kim Chong-il pointed out as follows: "Only when the people's Army and the people are literally made whole, with the former helping the latter and the latter actively supporting the former, can the people's Army develop into an invincible force and win victory over the enemy in war."

The kindred ties between the Army and the people serve as a sure guarantee for strengthening the main force of the revolution and advancing the cause of socialism triumphantly.

The main force of the revolution is the integrated entity of the leader, the party, and the masses, and in this connection, it is of great importance to strengthen the kindred ties between the Army and the people. The revolutionary Army is a powerful force defending the cause of socialism militarily, and the people are the ones who are directly in charge of socialist construction. When the Army and the people are united, the main forces of the revolution are strengthened and the Army and the people can defeat any strong imperialist army with their joint strength and staunchly protect and defend the cause of socialism. The might of socialism stems from the united might of the Army and the people.

Kindred ties between the Army and the people can be forged brilliantly when society has a great leader as its supreme commander. The Army and the people become united as one around the supreme commander. The bosom of a distinguished heroic commander is at once the bosom of the great revolution—which can embrace the Army and the people together—and the bosom of the benevolent father. It is only while in this bosom that the revolutionary Army can fight to defend the country and the people with life, and the people can do their utmost for the revolutionary Army.

The noble tradition of kinship between the Army and the public was founded by the great leader Comrade Kim Il-song during the period of the anti-Japanese armed struggle. The Korean Peoples Revolutionary Army [KPRA] was a genuine people's Army, the Army of the revolution. Upholding the great leader's teaching "Just as a fish out of water cannot survive, the guerrillas cannot survive without the people," the anti-Japanese revolutionary fighters loved the people and protected their lives and properties with their own lives whenever and whenever, and the people for their part actively supported and cheered the KPRA firmly believing that it was the real revolutionary Army fighting for their freedom and liberation. The fine tradition of Army-people unity unprecedented in the military annals of all ages and countries of the world can be founded and enhanced only among our revolutionary force and our civilian population.

The fine traditional Army-people unity founded in the period of the glorious anti-Japanese armed struggle is bursting into bloom today in the course of upholding the dear leader Comrade Kim Chong-il and having him as supreme commander.

Currently, all KPA officers and men are brimming over with an immense pride in having the dear leader Comrade Kim Chong-il as the supreme commander of the revolutionary Army. Their firm confidence and determination to fight on to the end of the world, upholding the great leader in high esteem, constitutes the principal factor that enables further solidification of the kinship between the Army and the people. Regarding the KPA personnel under the supreme commander the dear leader Comrade Kim Chong-il as his soldiers, our people have a firm faith in them and spare nothing for the sake of the KPA. Like the fighting men of the supreme commander that they are, the officers and men of the KPA love the people and do not hesitate to give their lives to protect their lives and property. The fine ethos of army-people unity, the ethos of the army and people fighting as one, finds no parallel in any other army or people.

The solidity of the kindred ties between our Army and people is based above all on their infinite loyalty to the dear leader Comrade Kim Chong-il.

The kindred bonds that bind the Army and the people as one are nothing other than loyalty to the helmsman. Only when the Army and the people are united is it possible to brilliantly implement the helmsman's plans and desires and advance the revolution triumphantly. Loyalty to the helmsman is the ideological and mental fountainhead that enables the Army and the people to accomplish the cause of the helmsman to the end, by becoming one in body and spirit.

In our society the Army and the people have different duties to perform and different posts to guard in the prosecution of the revolution. But the hearts of our Army and people are warmly pulsating with the sole desire to uphold with loyalty the dear leader Comrade Kim Chong-il who is leading our revolution along the one road of victory. How to better implement and follow the thought and leadership of the respected and beloved supreme commander, always holding him in high esteem, is the common ideological concern and a firm creed in life of our people and officers and men of the KPA. For our people to support the KPA with their whole hearts is in itself the way to be loyal to the thoughts and desires of the great helmsman, and for the KPA personnel to love the people and help them is in itself a rewarding task to implement the noble desires of the supreme commander.

Currently, our people, with the fervent desire to uphold the cause of the dear leader Comrade Kim Chong-il with loyalty, are sending their sons and daughters into the KPA voluntarily. As they pledged before the soul of the departed great leader, our young men and women joined the KPA and are now faithfully fighting as fighters of the supreme commander. As a result, our KPA and the people are tied together with an inseparable kindred bond. Our KPA officers and men are sharing their fate and fortune with the people in accordance with the wishes of the supreme commander. Fifty-eight servicemen discharged from the KPA unit to which Comrade Chong Sang-u belongs and nine women soldiers discharged from the unit to which Comrade Chae

Chong-pok belongs, found jobs in groups in some of the agricultural cooperatives in South Pyongan and North Hwanghae Provinces, which became historical places honored by the great leader's on-the-spot guidance tours. There are many more similar examples. This graphically shows the depth of the loyalty of our KPA personnel.

All our KPA officers and men and our people are the proudest and happiest people who are leading true lives in the bosom of the dear leader, cherishing the precious political lives bestowed upon them. The granite faith and determination to uphold the great helmsman with single-hearted loyalty, bonds our Army and people tightly together with the same blood vessels.

The solidity of the kindred ties between our Army and people is also based on noble revolutionary comradeship.

The ties between the revolutionary Army and the people is not something like a practical relationship, but is a comradeship based on shared desires and destiny. The Army and the people are the comrades in revolution on the path of upholding the great helmsman, and they are the revolutionary comrades in arms who will break through any severe ordeals together. The relationship between the Army and the people is cemented into an unbreakable kinship when they trust and love each other as comrades.

The fine ethos of Army-people unity which is bursting into full bloom in our society is essentially a lofty manifestation of the revolutionary comradeship. The comradeship which is being enhanced between our Army and people is the kind of devoted love characterized by the readiness to give all their wisdom, energy, youth, and even their very lives for each other's sake, and it is the most sincere, pristine, and priceless revolutionary love. We take immense pride in the fact that this kind of love is overflowing among the military personnel and the civilian population.

Our KPA personnel are giving their youth and very lives to protect the life and property of the people, and the people for their part spare nothing for the KPA personnel. The lofty spirit of sacrifice demonstrated by a KPA soldier who jumped into the raging sea to rescue drowning children by sacrificing his own life; and the moving story of the doctors, nurses, and ordinary people who donated their flesh and bones for a dying soldier—these and other stories clearly attest to the height of nobility of the comradeship between our Army and people.

The kindred ties sealed with revolutionary comradeship between the Army and the people are unbreakable. Soldiers do not hesitate to give their lives for the sake of the people even in time of peace, and the people are giving their all for the sake of the Army. This kind of fine ethos finds no parallel anywhere else. This moving tradition eloquently bespeaks that should a formidable ordeal confront our revolution in the future, the Army and the people will fight on by banding tightly together in one and the same mind.

The kindred ties between our Army and people are so solid because they are a relationship cemented firmly while helping and leading each other in the course of practical struggle.

Generally speaking, in an exploitative society the army is afraid of the people, and the people are at once fearful and jealous of the army. But in our country the people are most glad to see soldiers, and KPA officers and men are as happy to see civilians visiting their posts as they are when they meet their own relatives.

People help KPA personnel with their military duties in earnest, and KPA personnel energetically support the people in socialist construction by offering labor. This practice is an important fountainhead of the kindred relationship between the Army and the people.

Among our people there are the moving stories of those old anti-Japanese fighters and old war veterans who kindled the fire of loyalty in the hearts of soldiers by conducting a vigorous campaign to encourage them to uphold the dear leader Comrade Kim Chong-il with arms in the same way the first- and second-generation revolutionaries upheld the great commander during the anti-Japanese armed revolutionary struggle and the fierce Fatherland Liberation War. There are also the stories of the party members and workers in Nampo City who prepared a variety of gift items and delivered them to military posts to encourage the soldiers in their combat and political training. There is not even a single post manned by members of the KPA which is not permeated with the warm goodwill of our people. Wherever there are soldiers, be it a forward post on a hill on the front line or an isolated post in a remote place, people visit them to keep them abreast of what is happening in the rear and assist them with all their hearts. The warm sincerity of the people is etched deeply in the hearts of KPA officers and men. That is why, mindful of the admonition of the people, our soldiers are devoting all their wisdom and energy to their combat and political training and to the fulfillment of their military duties, while demonstrating their heroism as a one-a-match-for-100 force in guarding the defense line of the fatherland.

Our KPA personnel are playing an active part in socialist construction and stepping forward to help the people with their work in all sincerity. Helping civilians with their work during a recess in combat and political training, and saving the field from a flood by jumping into raging water to bolster the collapsing dike—these are the deeds done by our soldiers. The fighting spirit of devotion as demonstrated by soldiers at each arduous and difficult post of socialist construction, including the construction site of the Chongnyu Bridge (the second stage project), and No. Two Kumnung Cave—an additional great monumental strictures of the Age of the

Workers Party [WPK]—is unthinkable in any other army. No wonder our people always have our KPA personnel in their hearts and count on them whenever they have a difficult backbreaking work to do.

The kindred ties forged between the KPA and the people in the course of having and looking up to the dear leader Comrade Kim Chong-il as the supreme commander of our revolutionary Army is indeed lofty, and no force on earth can break this great unity.

Our people and the KAP personnel will continue to solidify their mutual unity and solidarity while united tightly around the respected and beloved supreme commander, by thoroughly implementing the party's thought that the Army and the people are one, and fulfil the chuche cause of socialism to the end on the strength of this unity.

South Korea

Opposite Interpretations of North-U.S. Talks

SK1904081295 Seoul KYONGHYANG SINMUN in Korean 19 Apr 95 p 2

[By reporter Yi Pyong-kwang]

[FBIS Translated Text] "Talks Settlement or Rupture?"

On 18 April, one day before the resumption of the Berlin light-water reactor expert talks, the faces of officials in charge of diplomacy and security affairs were tense in connection with the prospects for the light-water reactor negotiations.

This is because the Berlin talks will be a turning point in determining whether the DPRK-U.S. agreement will be implemented during the next 10 years. The government thinks that once 21 April, the target date for concluding the light-water reactor supply agreement, passes, North Korea's true intentions will become clear and the issue of whether the light-water reactor negotiations will be settled will be apparent.

Up until now, the feeling was that more people were optimistic rather than pessimistic about this matter. The optimists hold that North Korea is well aware of the fact that there is no other alternative to accepting the ROK-model light-water reactor and the ROK's central role.

A diplomatic source well-informed about the Berlin negotiations said: "I believe that the differences in the positions of North Korea and the United States can be narrowed. North Korea has put forth various proposals and gradually softened the intensity of its rejection of the ROK-model light-water reactor. This can be viewed as part of the process for North Korea to recognize that it is inevitable that it accept the ROK-model light-water reactor."

A government official who asked not to be identified also explained: "North Korea's claim still differs from ours, but it has shown a lot of change compared to March."

At the last round of Berlin negotiations with the United States on 12 and 13 April, North Korea made a unique proposal in connection with the main contractor for the overall management of the light-water reactor project and for the party placing the order for the light-water reactor project. North Korea demanded that the party placing the order should not be the Korean Energy Development Organization [KEDO], but rather the Korea [Choson] Facilities Joint-Stock Company, and that the main contractor should be a U.S. company. North Korea revealed its preference for having a U.S. company as the main contractor and its willingness to accept a modified version of the ROK-model light-water reactor. However, the ROK, the United States, and Japan view this as part of a strategy to avoid the ROK-model light-water reactor and the ROK's central role. The three countries agreed not to accept North Korea's proposal and said that KEDO must be the party placing the order and that the main contractor must be an ROK company.

It is not known whether North Korea will completely accept the ROK-U.S.-Japan position at the follow-up meeting on 19 April, but government officials think that North Korea will yield another step on the claims that it has made until now.

Also, the ROK and the United States judge that the freeze on the nuclear reactor which North Korea claims it will rescind once the 21 April date passes with the reloading of nuclear fuel rods, is not convincing.

A foreign diplomatic source said: "If North Korea truly intends to break the DPRK-U.S. agreement, it would have threatened to begin the easier process of reprocessing the spent fuel, instead of threatening to reload the nuclear fuel rods."

On the other hand, pessimists say that we must pay attention to the irrational and unpredictable acts of North Korea. It appears that it will be difficult for North Korea, which is worried about the possible effect that acceptance of the ROK-model light-water reactor would have on its system, to accept a substantial ROK role—the reactors, and the main contractor—because of the assessment that it will be difficult to block the ROK side's influence merely by making the United States the program coordinator in charge of acting as the buffer between KEDO and the ROK.

Nevertheless, pessimists on the whole sympathize with the view that even if 21 April passes without the conclusion of an agreement because North Korea and the United States cannot find a point of agreement, it will be difficult for North Korea to use powerful measures such as the scrapping of its nuclear freeze.

U.S.-North Contact Discusses Procedural Issues

SK1804230595 Seoul KBS-1 Radio Network in Korean 2100 GMT 18 Apr 95

[YONHAP report from Berlin]

[FBIS Translated Text] The United States and North Korea resumed light-water reactor experts' talks in Berlin, which were temporarily suspended, and held a preliminary contact late last night.

During the contact held in the North Korean mission, the two sides discussed procedural issues, including the schedule of upcoming talks. Accordingly, the official talks between delegations of both sides are expected to resume today in the annex building of the U.S. Embassy.

The talks, to be held in the face of the 21 April target date for concluding the agreement on the provision of light-water reactors to North Korea, are expected to be essentially the last contact. Therefore, the success of the talks are the focus of people's attention.

North Reportedly Stresses Contract Deadline

SK1904010595 Seoul YONHAP in English 0053 GMT 19 Apr 95

[FBIS Transcribed Text] Berlin, April 18 (YONHAP)—The United States and North Korea held a preliminary meeting Tuesday resuming the adjourned expert-level talks concerning the North's light-water reactor project.

The negotiators, which opened the meeting at 4:30 PM Tuesday at the North Korean interest section here, agreed to hold the first plenary session at 9:30 AM at the main office of the American Embassy Wednesday.

The two sides, however, failed to agree on a general schedule for the current round of the experts' talks, sources close to the talks said. Accordingly, they will discuss the general schedule at the plenary session to be held Wednesday.

In the preliminary meeting, the North Koreans reportedly stressed the significance of April 21, the date claimed by them to be the deadline for the conclusion of a light-water reactor supply contract under their framework agreement with the United States reached in Geneva last October.

An official of the North Korean mission said that "this round of talks should be concluded by April 21." The remarks indicate Pyongyang's desire to break the deadlock on the light-water reactor issue within a few days.

The North Koreans displayed a change in their attitude in the recent talks adjourned last Thursday, expressing their willingness to allow South Korea to partially take part in the design of light-water reactors.

Whether they will eventually accept South Korea-made reactors is an issue they expect to resolve in these just-resumed expert-level talks.

Should the U.S. and North Korean negotiators agree to extend their negotiations, they are likely to sidestep the deadline issue by issuing a joint statement, the sources said.

U.S.-North Talks Fail To Register 'Progress'

SK1904123995 Seoul YONHAP in English 1235 GMT 19 Apr 95

[FBIS Transcribed Text] Berlin, April 19 (YONHAP)—The U.S.-North Korea reactor experts meeting was held here Wednesday [19 April] morning in the form of chief delegates talks but without any progress.

It was learned that the two sides decided to resume the meeting in the afternoon among working-level experts without the participation of the chief delegates.

Emerging from the two-hour morning session held at an attachment of the U.S. Embassy here, North Korea's chief delegate Kim Chong-u, vice chairman of the External Economy Commission, told reporters there was no progress in the meeting.

"There was not even a slightest progress. The United States did not make a new offer nor showed any response to our new proposal," Kim said. He did not elaborate on the "new proposal."

The North Korean delegate said, however, the meeting will resume on Thursday.

Unification 'Experts' Polled on N-S Issues

SK1904051795 Seoul SEOUL SINMUN in Korean 19 Apr 95 p 3

[Article by reporter Ku Pon-yong]

[FBIS Translated Text] Most of our country's experts on unification feel that we should adhere to the designation of ROK-style reactors and the ROK's central role as far as supporting the construction of light-water reactors for the North is concerned. A survey on "pending South-North issues, including support for the construction of light-water reactors for the North" that was conducted among 722 unification experts in government, academia, and media by the Hyundai Research Institute at the request of the National Unification Board on 18 April, showed 85.1 percent of the respondents saying that it is necessary to secure the designation of ROK-style reactors and for the ROK to play a central role.

If North Korea rejects ROK-style reactors, 68.3 percent were of the opinion that we should completely refuse to bear any of the cost, while 21.3 percent said that our share of the cost should be reduced, and a mere 6 percent said that we should stick with the original breakdown in costs.

In addition, 56.5 percent said that the ROK's position was reflected in the North-U.S. negotiations on the light-water reactors, while 39.5 percent responded that our position was not reflected, thus showing that a considerable number of those questioned are dissatisfied and feel that our side has been left out in the cold.

This notwithstanding, only 40 percent of the respondents maintained that South-North economic cooperation should be accomplished in tandem with negotiations on the light-water reactors, while 57.2 percent said that the South-North economic cooperation should be pursued separately.

On the question of pushing selective civilian-based exchanges and cooperation in social, cultural, and religious circles, 73.3 percent were in favor, while a mere 18.4 percent maintained that such exchanges and cooperation should be pursued unconditionally.

In the meantime, 48.3 percent regarded the resumption of South-North dialogue as the most important issue at present, 19.4 percent regarded the expansion of South-North economic cooperation as the most important, 17.9 percent regarded the conclusion of an agreement on the light-water reactors as the most important, and 10.4 percent regarded the implementation of sociocultural exchanges as the most important issue between the South and the North.

Unification Board Reports Increase in N-S Trade

SK1904002995 Seoul THE KOREA HERALD in English 19 Apr 95 pp 2, 7

[FBIS Transcribed Text] Inter-Korean trade during the first quarter of this year surged 10.2 percent to $54.2 million from $49.2 million during the same period last year, according to a government figure.

During the cited period, the government approved purchase of North Korean goods amounting to $44.7 million, up 0.9 percent from a year earlier according to a report released by the National Unification Board [NUB] Monday.

Shipments of South Korean goods to the North increased 95 percent to $9.5 million during that period, the report said.

But inter-Korean trade in March recorded $18.7 million, down 13.5 percent from $21.6 million in the previous month, according to the report.

The NUB report said that in March the government approved purchases of 23 North Korean products amounting to $1.66 million, down 10.4 percent from a month ago.

It also said South Korean products shipped to the North also fell 31.8 percent to $2.1 million last month from $3.1 million in February.

South Korea's main purchase from the North in March were raw materials, agricultural and fishery products.

By items, iron and metals accounted for 72.6 percent of all items that the government approved for purchase from North Korea. They were followed by textiles (12.9 percent) and agricultural and fishery products (11.9 percent).

Major items that the government approved for shipment to the North were textile goods (66.8 percent), machinery and electronic products (2.4 percent) and others (30.1 percent).

The machinery and electronic products sold to the North included one set of freezer with a capacity of 10 tons, 13 washing machines and parts of machinery.

During the first quarter of this year, the processing-on-commission (POC) performances permitted by the government totaled $5.7 million with 53 cases, up 27.6 percent over the previous year, the NUB report said.

What is noticeable in the inter-Korean trade during the past three months, an NUB official said, is that the items South Korea shipped to the North were diversified.

He also said that trade between South and North Korea based on POC is constantly increasing since the Seoul government lifted the ban on business contacts between Seoul and Pyongyang last November.

Under the POC arrangements, which are a popular form of inter-Korean economic exchanges, South Korean businesses send raw materials to be manufactured in the North and pay for the labor cost when they import the manufactured goods.

Defector Discusses North's 'Concentration Camps'

SK1604093995 Seoul CHUNGANG ILBO in Korean 16 Apr 95 p 13

[Report by Choe Won-ki]

[FBIS Translated Text] On 15 April Kang Myong-to, 37, revealed that approximately 400,000 political prisoners have been detained in about 10 concentration camps—known as special surveillance districts—in North Korea.

In an exclusive interview with CHUNGANG ILBO, Kang Myong-to, who defected to South Korea in May 1994 and who is the son-in-law of the premier of the North Korean Administration Council, revealed that North Korea's State Security Department and Ministry of Public Security each manage five camps, and the largest camp is the size of a county.

Kang Myong-to also revealed that the camps under the supervision of the State Security Department are the so-called camps for political prisoners, and are located in Changpyong, Hoeryong, Yodok, Hwasong, and Kaechon.

He said that a total of 150,000 to 180,000 people are detained in these camps, and are leading lives as miserable as beasts.

* Kim Chong-il's Health Problems Reported

95p30085

[Editorial Report] Citing a Western source who is well-versed in North Korean affairs, the 5 April Seoul CHOSON ILBO in Korean (retrieved from the Chollian database) claimed that Kim Chong-il is only able to work three to six hours a day because he is afflicted with a type of "acute cerebral nerve pain" that was caused by earlier injuries. According to the paper, the source obtained the information on Kim's health problems from a high-level

North Korean official who is "very close" to Kim. The source said that Kim suffers from other diseases, such as diabetes and heart disease, and the nerve pain forces him to limit his daily activities. Recently, one of Kim's personal physicians was reportedly sent to Japan to learn how to treat cerebral nerve pain.

U.S. Customs Request for Chocolate Accepted

SK1904035095 Seoul TONG-A ILBO in Korean 19 Apr 95 p 2

[Report by Washington-based correspondent Yi Chae-ho]

[FBIS Translated Text] With a view to removing the trade friction between the ROK and the United States, the ROK Government has decided to clear U.S.-made chocolates through customs if labels are attached to the containers describing the "type of chocolates," even if there is no label on each individual chocolate bar.

This means that this government policy will virtually meet the U.S. side's relevant request on a wholesale scale.

A working-level government trade delegation now visiting Washington held talks with the Korean desk officer at the U.S. Trade Representative on 17 April. The delegation stated: "If the U.S. side attaches labels on the containers containing chocolates, we will clear all five cargo containers of U.S.-made chocolates that are now being held at a bonded warehouse in Pusan at an early date." One official concerned in the delegation explained: "We have promised speedy customs clearance of the chocolates that are currently at issue. We took this exceptional measure after we were told that our government failed to submit a detailed report on the regulations on labels, which we had revised, to the World Trade Organization."

This official added: Accordingly, all chocolates imported in the future, excluding the chocolates that are now being held in Pusan, will clear customs only if there is a label attached to each individual chocolate bar describing the "type of chocolate."

PRC's Qiao Shi Discourages Sanctions on North

SK1904023995 Seoul THE KOREA TIMES in English 19 Apr 95 pp 1, 2

[FBIS Transcribed Text] A visiting Chinese Communist Party leader renewed China's objections to any sanctions by the United Nations Security Council on North Korea even if the current Washington-Pyongyang negotiations over the light-water nuclear reactor project breaks down.

Instead, Qiao Shi, chairman of the National People's Congress [NPC] of China, called for peaceful settlement of the North Korean nuclear issue by parties involved when he met with Prime Minister Yi Hong-ku yesterday.

When requested by Prime Minister Yi to call upon North Korea to refrain from attempts to create tension on the Korean peninsula, Qiao was quoted as saying, "We have made sincere efforts to that end. But we are not in a position to deliver our demands strongly to the Democratic People's Republic of Korea (North Korea) because it is a sovereign state with national pride."

"We hope that parties involved (in the issue) will strive patiently to resolve the issue in a peaceful manner," NPC chairman Qiao was quoted as saying.

Going a step further, he also told Yi that China believes the Geneva agreement signed by North Korea and the United States will be carried out without sanctions (on North Korea) as is mentioned by the U.S. administration, a spokesman for Prime Minister Yi said.

Following the 15-minute meeting with Prime Minister Yi, who will visit China next month, Qiao held talks with President Kim Yong-sam when the NPC chairman paid a courtesy call on the President.

President Kim also asked for cooperation from China in persuading North Korea to implement the U.S.-North Korean nuclear accord. After conversations with Qiao for half an hour, Kim hosted a luncheon for him.

Qiao, the third most powerful figure in the Chinese ruling party hierarchy, promised that his country will cooperate to resolve the sensitive North Korea nuclear issue in a peaceful manner, said presidential spokesman Yun Yo-chun, briefing reporters on the Kim-Qiao talks.

"China will exert effort (to help resolve the North Korean nuclear impasse) because securing peace on the Korean Peninsula is vital to peace in Asia and the whole world," Qiao was quoted as saying.

Kim stressed the need for the North to fully abide by every clause of the Geneva agreed framework in order to dissipate suspicion on the destabilizing North Korean nuclear program.

The President called for China's positive role as Pyongyang's traditional ally in persuading it to improve relations with Seoul and to join international society by resolving the nuclear issue quickly, according to Yun.

Kim said that the South is ready to recognize the North as its partner, and that the two can coexist and prosper as soon as the North implements the Geneva accord, the spokesman said.

The two leaders expressed satisfaction with the rapid development of Seoul-Beijing ties, particularly in the economic sector, since their diplomatic normalization three years ago, Yun said.

Kim stressed the need to step up tourist exchanges between the two countries as this is conducive to expanding bilateral economic cooperation. Last year, a total of 240,000 South Koreans visited China, Kim added.

Qiao expressed hope that more Chinese will visit South Korea to expedite the bilateral cooperation, Yun said.

Qiao will visit major industrial plants of Samsung, Hyundai and other business groups before leaving for China Saturday.

The Chinese leader arrived here Monday on a six-day visit at the invitation of his South Korean counterpart National Assembly Speaker Hwang Nak-chu.

Koreans in PRC Form DPRK 'Sham Relations'

SK1704044995 Seoul HANGUK ILBO in Korean 17 Apr 95 p 15

[From the "Current Situation in Pyongyang" column]

[FBIS Translated Text] According to ethnically Korean peddlers in Yanbian, an increasing number of North Korean residents and Korean ethnic people in China have recently formed "sham relations."

This phenomenon is attributed to mutual interests between the two sides. That is, only those peddlers in Yanbian who have relatives in North Korea can receive passes from the Chinese authorities to visit North Korea; and in return, North Korean residents not only receive supplies of food and daily necessities from Yanbian residents, but also receive help from their fake relatives when they visit China to earn foreign currency.

Protocol Signed With Egypt for Diplomatic Ties

SK1704004695 Seoul YONHAP in English 0009 GMT 17 Apr 95

[FBIS Transcribed Text] Cairo, April 16 (YONHAP)—South Korea and Egypt have completed procedures for normalizing bilateral relations by signing a protocol on establishing full diplomatic ties Sunday evening.

The protocol backs up the announcement, simultaneously made in Seoul and Cairo last Thursday, that full diplomatic relations between them are now in effect.

The signing took place between South Korean Charge d'Affaires Chong Tae-ik and Egyptian Foreign Ministry's Chief Protocol Officer Hosni El Agazi [name as received] at the ministry's conference room.

Egyptian Foreign Minister 'Amr Musa, meanwhile, has promised to visit Seoul in the near future, accepting an invitation from his South Korean counterpart Kong No-myong, Chong said.

Kazakhstan Opens Diplomatic Mission in Seoul

SK1804061895 Seoul YONHAP in English 0601 GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 18 (YONHAP)—The Republic of Kazakhstan opened its diplomatic mission here Monday at the Daewoo Center Building in downtown Seoul, the South Korean Foreign Ministry Tuesday.

The mission, headed by acting Ambassador Askar Shakirov, [name as received] will be upgraded to an embassy as soon as domestic legal procedures are completed in Kazakhstan, according to the ministry.

YONHAP President Meets Indonesian Journalists

SK1904131395 Seoul YONHAP in English 1232 GMT 19 Apr 95

[Spelling of names as received]

[FBIS Transcribed Text] Bangkok, April 19 (YONHAP)—Hyon So-hwan, president of the YONHAP news agency and YONHAP Television News, now on a tour of Jakarta, met leading Indonesian journalists Wednesday [19 April], inviting them to the Seoul meeting of the International Press Institute (IPI) slated for May 14-17.

Hyon who serves as vice chairman of the IPI Korea Committee and chairman of the IPI Seoul Meeting Organizing Committee, met Rallie Siregar, president of RCTI, the largest television network in Jakarta, asking him to see to it that many senior Indonesian journalists attend the IPI Seoul meeting.

On Tuesday, Hyon conferred with Indonesian Antara News Agency President Handjojo, and Mr. Parni Hadi, secretary general of the Indonesian Journalists Association, to explain about the importance of the IPI Seoul meeting and to ask for Indonesian journalists' unreserved cooperation in it.

The YONHAP news president has been touring Southeast Asian countries to promote participation in the Seoul meeting by leading journalists of the countries.

Wednesday noon, Hyon had a working luncheon with Mr. Parni and about ten managing editors and editorial writers of Indonesian press medias to exchange opinions on issues facing the press of Asia.

Other attendees included August Parengkuan, assistant managing editor of KIMPAS, Indonesia's largest circulation daily; and Vincent Lingga, editor of the JAKARTA POST.

During his meeting with RCTI President Rallie Siregar, Hyon also discussed ways to promote cooperation between his YONHAP Television News (YTN) and RCTI.

Stressing that YTN is pursuing a role similar to that of the CNN of the United States, Hyon said YTN and RCTI could mutually cooperate in the area of news.

Siregar agreed to the desirability of cooperation between YTN and RCTI, an official who was present at the talks said.

YONHAP President Hyon left Jakarta Wednesday afternoon for Taiwan, the next leg of his current tour.

Singaporean Trade Mission Offers Incentives

SK1904002795 Seoul THE KOREA HERALD in English 19 Apr 95 p 8

[FBIS Transcribed Text] A Singaporean trade mission offered yesterday to lease factory units at its industrial parks in Indonesia and China to Korean businesses on favorable terms.

"The industrial parks will provide good momentum for Korean business to advance into the Asia-Pacific region," said Wong Kok Siew, Singapore Technologies Industrial Corp.'s (STIC) chief executive officer, a top delegate of the trade mission, at a seminar held in a Seoul hotel.

Korean enterprises will be exempt from income tax for the first two profit-making years and pay a reduced tax rate of 10 percent for the following three years if they intend to operate for 10 years or more in the Wuxi-Singapore Industrial Park in China, he said.

In addition to the Chinese industrial estate, the STIC is also responsible for the development and marketing of two other complexes—the Batam Industrial Park and the Bintan Industrial Estate in Indonesia.

Noting that the sale of the first phase of the Bintan Industrial Estate is 100 percent occupied, the delegate said that the second-phase sale is now underway, offering 57 units of terrace, semidetached and detached factories.

The size of each factory unit, which buyers can lease, ranges from 1,100 to 2,100 sq. meters, he said. Monthly rents range from S$ 6,050 to S$ 15,750 per unit, he added.

Pak, Economic Delegation Depart for Sri Lanka

SK1904002695 Seoul THE KOREA HERALD in English 19 Apr 95 p 8

[FBIS Transcribed Text] South Korea has dispatched a large-scale economic mission to Sri Lanka to promote bilateral cooperation in the fields of trade, investment and social infrastructure expansion projects.

Vice Minister of Trade, Industry and Energy Pak Un-so left for Colombo yesterday, leading a 31-member Korean economic mission comprising high-ranking government officials and business leaders.

Included in the economic mission are Kim Hak-yong, president of Keang Nam Enterprises, Yi Kang-sae, president of Kabul Textile Co., and Choe Kyu-yun, president of C & H Co.

The Korean delegation is scheduled to attend the 7th joint meeting of the Korea-Sri Lanka Economic Cooperation Committee in Colombo to seek ways of accelerating direct investment and bilateral trade, a spokesman at the Ministry of Trade, Industry and Energy (MOTIE) said.

The two-way trade volume between South Korea and Sri Lanka amounted to $360 million in 1994 and Korean enterprises' direct investment came to $220 million worth as of the end of 1994.

Businessmen-Foreign Official Meetings on Rise

SK1904074595 Seoul YONHAP in English 0727 GMT 19 Apr 95

[FBIS Transcribed Text] Seoul, April 19 (YONHAP)—Carrying increasing weight in the itineraries of foreign political leaders visiting South Korea are meetings with business leaders and tours of the country's industrial facilities.

Bulgarian President Zhelyu Zhelev and Vietnamese Communist Party head Do Muoi visited the country earlier in the month, and Chinese parliamentary leader Qiao Shi is now in the country, and one of the things they attached great importance to during their stay was meetings with business leaders and tours of factories, rather than meetings with political leaders. In other words, they were also here to conduct economic diplomacy for their countries.

Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, filled his six-day itinerary here with economic events, except for a few courtesy calls he will make to President Kim Yong-sam and National Assembly Speaker Hwang Nak-chu.

During his stay he will call on South Korean business leaders during five breakfast, lunch and dinner meetings, visit the Federation of Korean Industries and also the Korea Chamber of Commerce and Industry, in Seoul. He is also scheduled to meet Samsung Group Chairman Yi Kon-hui, Hyundai Group Chairman Chong Se-yong and Daewoo Group Chairman Kim U-chung, separately, at their respective factories.

General Secretary Do Muoi of the Vietnamese Communist Party, who visited here last week heading a large government delegation that included the vice premier and industry minister, the trade minister and a few other economic ministers, also conducted economic diplomacy during his week-long stay in the country, meeting the heads of the five major business organizations and major conglomerates, including Samsung, Hyundai and Daewoo.

The 78-year-old Vietnamese leader also toured Samsung Electronics Co.'s Suwon plant, Hyundai Motor Co.'s Ulsan assembly line, Pohang Iron and Steel Co.'s steelworks in Pohang, Daewoo Heavy Industries Co.'s Koje shipyard, Korea Heavy Industries and Construction Co.'s Changwon plant, and Honam Oil Refining Co.'s Yocheon refinery.

He even attended a meeting of the Korea Chamber of Commerce and industry to personally appeal to the participating Korean business people for investment in the steel, electronics, shipbuilding, energy and other key industries of his country.

So, he had to limit his political schedule to meetings with ruling Democratic Liberal Party Chairman Yi Chun-ku, who invited him, and courtesy calls on President Kim Yong-sam and Premier Yi Hong-ku.

Bulgarian President Zhelyu Zhelev visited here on April 2, and he also met the heads of the five major business organizations and the Hyundai, Daewoo and Hanhwa Business Groups to solicit their investment in his country, while touring Daewoo Motor Co.'s Pupyong assembly line.

In February, Uzbekistan President Islam Karimov and Saha President Mikhael Nikolayev visited the country to promote economic cooperation with South Korea, including South Korean investment in their countries.

A protocol officer of Hyundai Motor's Ulsan factory said a total of 546 foreign government leaders, including presidents and prime ministers, visited his factory last year and 131 more will have visited as of April 19 this year.

Seoul Moves To Minimize Firm Bankruptcy Impact

SK1904131195 Seoul YONHAP in English 1114 GMT 19 Apr 95

[FBIS Transcribed Text] Seoul, April 19 (YONHAP)—The government Wednesday [19 April] took a set of measures to minimize the impact of You-one Construction Co.'s bankruptcy, having Korea First Bank, You-one's main bank, pay for the fallen contractor's overdue payments to its subcontractors.

The Finance and Economy Ministry also saw to it that Korea First Bank provide necessary funds so that the five projects You-one has been doing in Russia and three other foreign countries could continue to be undertaken on schedule.

A ministry official said the office of bank supervision will discuss with Korea First Bank technical problems related to the bank's paying for about 30 billion won You-one owes to its subcontractors numbering about 150.

This is a step to forestall possible chain bankruptcy among You-one's subcontractors, he said.

The ministry, however, does not take any particular measures to cope with the spillover effect the bankruptcy could have on fund markets and local economy in the belief that such impact won't be so serious as to warrant government steps, the official added.

Ceremony Marks Anniversary of 19 Apr Uprising

SK1904064795 Seoul YONHAP in English 0611 GMT 19 Apr 95

[FBIS Transcribed Text] Seoul, April 19 (YONHAP)—The first-ever outdoor ceremony commemorating the 35th anniversary of the April 19 Revolution was held at the April 19 National Cemetery in Suyuri, northeastern Seoul, Wednesday morning.

The commemoration ceremony was the first of its kind held outdoors on a pan-national basis. The anniversaries of the April 19 student uprising which toppled Syngman Rhee's Liberal Party regime had always been observed indoors in the past. Kim Yong-sam's administration has elevated the student uprising to the April 19 Revolution.

Attending the ceremony were the leaders of three branches of government, representatives from April 19 uprising-related organizations and about 1,000 students.

In an address delivered at the ceremony, Prime Minister Yi Hong-ku said, "the April 19 uprising 35 years ago was a civil rights movement that resolutely resisted political forces from trampling upon the citizens' freedom and rights through improper means. It was also a liberal democratic revolution that firmly rooted in our constitutional history the democratic ideology that sovereignty rests with the people.[no ending quotation mark as received]

Audit Commissioner Named Presidential Secretary

SK1804071495 Seoul YONHAP in English 0658 GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 18 (YONHAP)—Commissioner Pak Song-tal of the Board of Audit and Inspection [BAI] was named senior presidential secretary for governmental affairs Tuesday, the post of which has been vacant since Yi Eui-kun resigned from the job last Thursday to run in the gubernatorial election in North Kyongsang Province.

Pak, a 58-year-old bureaucrat hailing from Yongju, North Kyongsang Province, graduated from Seoul National University's Government Administration Department and has served as chief of the Home Ministry's local planning division, vice governor of North Chungchong Province, presidential secretary for petition and information, assistant home minister, mayor of Taegu and commissioner of the BAI.

Brunei, Malaysia & Singapore

Malaysia

Japanese Stance on ASEAN Affairs Criticized

BK1704063695 Kuala Lumpur Voice of Malaysia in English 0810 GMT 15 Apr 95

[Station commentary]

[FBIS Transcribed Text] It is increasingly difficult to understand what developed countries have against ASEAN countries getting together to discuss common economic issues among themselves and with their close trading partners. The importance of such discussions cannot be underestimated. This is especially in view that problems are bound to crop out now and then as the global economy is largely interdependent.

With this in mind, the annual ASEAN economic ministers, AEM, meeting attempts to focus upon economic issues of prime importance to ASEAN and its three major trading partners. This is done through the ASEAN's six plus three informal meeting between the ASEAN six and Japan, China, and South Korea. However, this year the informal gathering has been called off through no fault of the six ASEAN members.

Japan's reluctance to attend the meeting in Phuket later this month and its insistence to include Australia and New Zealand is indeed puzzling. Ironically, the two have not made any request to attend the meeting. Neither Australia nor New Zealand belonged to Northeast Asia which is the geographical location of the three in the six plus three.

Japan also wants the ASEAN-led East Asia Economic Caucus, EAEC, to be excluded from ASEAN's agenda. This is both shocking and highly irregular. It amounts to interference in matters concerning others, in this case ASEAN. Why Japan wants the two countries to attend is closely tied to its request that the EAEC not be discussed. The EAEC does not include Australia and New Zealand. Thus, all this shows Japan's indirect refusal to recognize the EAEC.

In other words it prefers the Asia-Pacific Economic Cooperation, APEC, conference which it is hosting this year. It is clear that Japan does not want to antagonize the United States. It is determined to go all out to please the U.S., which has all along refused to support the caucus. Also the U.S. has been a strong advocate of APEC, sometimes to the point of being overbearing.

Host Thailand had no choice but to strike off the informal six plus three meeting from the AEM meeting with Japan not attending. For ASEAN, the message is clear. They have to cohesive to fight external attempts to weaken its resolve. Although ASEAN's links with other parts of the world are important, the grouping cannot allow itself to be divided. External forces are always at work to cause a split in the association. There have been attempts to work through individual forces.

Therefore ASEAN cannot allow a divide and rule situation to prevail within ASEAN. ASEAN has come a long way to allow its common destiny undermined by outside forces at this stage. The grouping cannot afford to have divided interests to please people outside the region. Having preserved ASEAN's cohesion for so long the only way forward is to strengthen it further. There must be no let up in achieving its common goals, especially the ASEAN Free Trade Area, AFTA. There is so much going for ASEAN. Member nations must be aware of fatal move to divide ASEAN. Otherwise, it might be too late.

ASEAN's voice in the global arena is respected, and for this to continue, it is all the more vital for each to pull together for the common good of all.

National Front Issues Election Manifesto

BK1904091895 Kuala Lumpur NEW STRAITS TIMES in English 13 Apr 95 p 4

["The 1995 Election Manifesto of the National Front": "A Government of Vision, Justice, and Efficiency"]

[FBIS Transcribed Text] Malaysia is moving towards the 21st century with confidence, as one of the most prosperous, stable, and peaceful nations in the world. The National Front's sound policies and excellent leadership have enabled Malaysians to live peacefully and harmoniously despite Malaysia's multiracial, multilingual, and multireligious society.

Today, the world acknowledges and respects our nation-building effort, our sense of fairness, and our economic success.

The key to our success is the National Front government's vision, justice, and efficiency.

The National Front is committed to a long-term vision to create a truly united and developed Malaysia.

Through modernisation of the administration, the concept of Malaysia Incorporated, and privatisation, the government will continue to provide efficient and quality services to the people.

For the past 40 years, the National Front, and before it the Alliance, has administered Malaysia with consistency and effective policies.

As a result, Malaysia developed fast and this can be clearly seen from:

—increase in per capita [income] from RM [Malaysian ringgit] 800 to RM9,000, i.e. by 1,100 percent;

—rapid and balanced development of the rural and urban areas, with roads, schools, health clinics, water and electricity supply, and telephones to even the most remote villages;

—our towns are comparable to those in developed countries, with skyscrapers, multilayered roads, telecommunication towers, modern shopping centres, and electric trains;

—more people live in urban areas because of increased employment opportunities and better education and skills;

—a network of expressways and roads linking all cities, towns, and villages and improved road systems in Sabah and Sarawak;

—reduced dependence on commodities such as rubber and tin and rapid development of the manufacturing industry so that 78 percent of exports totalling RM150 billion per year is made up of manufactured goods. Today Malaysia is the 19th biggest trading nation in the world;

—elimination of unemployment among those willing to work until the nation has had to take in foreign workers for certain jobs.

The income of workers has increased continuously because of greater employment opportunities and competition for workers by employers;

—freedom from superpower control enabling us to criticise their double standards and practices;

—the practice of pragmatic democracy devoid of irresponsible elements associated with the system;

—the practice of Islam in a correct and meaningful manner befitting its status as the official religion and guaranteeing freedom of worship for other religions;

—the curbing of all forms of religious, racial, and ideological extremism and violence;

—the preservation and nurturing of religious and spiritual values as the foundation of the nation's moral strength and integrity and for preventing moral decay;

—the instilling of noble values and self confidence among young people to ensure the success of the individual, the community, and the nation; and

—provision of an education system capable of meeting the educational and skills requirements of the younger generation and serving the manpower needs of the country.

The National Front is once again facing an election. The people again have the opportunity to determine their future and the nation's future. The National Front has an excellent track record and a clear vision for the future. We want to continue to maintain democracy, the rule of law, an efficient administration, racial harmony, peace, and rapid development to ensure we attain a developed nation status.

Elections are held to give us the opportunity to elect a credible government with a vision and not to grab for power and positions.

It is with this intention that the National Front is contesting this election so as to continue to fulfil the needs of the people and to enhance the nation's status.

Just and Efficient Government

The National Front pledges to form federal and state governments that are able to:

—govern with greater efficiency, fairness, and vision;

—place greater priority on the interest of the people;

—formulate concrete and constructive policies;

—plan a more rapid development that can be implemented;

—provide a transparent, open, and democratic government based on the rule of law;

—provide a government that is accessible to the people—whether rich or poor, urban or rural;

—cooperate with the private sector in line with the Malaysian Incorporated concept so as to accelerate development; and

—intensify privatisation to expedite infrastructural development so as to save government expenditure, increase government revenue, and create and enhance bumiputeras' [indigenous people's] capabilities, especially in management and business.

Continuity of Development

The National Front government and the private sector will continue to develop the country at a more rapid pace by:

—providing more infrastructural facilities such as water, electricity, roads, highways, ports, airports, telecommunications, all for the benefit of the people and to facilitate industrial growth;

—allocating funds and providing physical facilities for education and training at all levels;

—providing land, sea, and air transportation that are efficient, fast, and cheap;

—providing comfortable recreational and resort facilities;

—building more low and medium cost houses for the people;

—providing comprehensive business and industrial facilities; and

—formulating laws conducive for development.

Respect for Religious Freedom

The National Front government will act fairly on religious matters. It will:

—uphold constitutional provisions whereby Islam is the official religion whilst permitting other religions to practise freely. There will be no coercion on religious matters;

—curb and eliminate all forms of religious deviation and extremism and safeguard the true teachings of Islam;

—enhance the true understanding and teachings of Islam through schools, dakwah [Islamic missionary] classes, higher institutions of learning, and research institutions;

—practise the teaching of Islam that is practical and meaningful by providing alternative Islamic systems in the daily life of Muslims such as interest-free banking, Takaful insurance, and Islamic business practices;

—make Islam a way of life for Muslims;

—maintain tolerance towards other religions in accordance with Islamic teachings; and

—ensure no misinterpretation or abuse of religions for the benefits of individuals or groups.

Confident Future Generation

The National Front Government will encourage positive and healthy activities among youths to develop their strength and resilience through:

—Rakan Muda [Young Friends] programmes emphasising training and creation of opportunities and activities that are constructive and healthy;

—providing facilities for sports and activities for the youths' physical well-being;

—instilling high moral values;

—fostering self-confidence and willingness to face all challenges;

—increasing their knowledge and capabilities in high technology skills and promoting discipline so that they can contribute towards nation's productivity; and,

—instilling confidence in youths in every field of endeavour.

Dynamic Foreign Policies

The National Front Government will continue to have friendly relations with all nations regardless of ideologies and political systems by:

—forging close relations with all developing and developed nations;

—participating actively and meaningfully in the United Nations;

—actively supporting efforts towards justice for all nations and opposing all efforts to dominate small and weak nations;

—supporting the independence of weak nations from being used as tools by the big powers;

—criticising all forms of oppression and injustice by any nation

—defending free trade without conditions or linkages to other issues; and,

—upholding the concept of open regionalism.

Preserving and Enhancing the Environment

The National Front Government will preserve the environment by:

—a planned and responsible utilisation of natural resources including forests;

—reducing air, sea and land pollution;

—giving due consideration to the environment when undertaking development;

—introducing the latest system of disposing toxic waste and rubbish;

—maintaining the cleanliness of sources of water beaches, coastal water[illegible] and,

—replanting trees that are cleared by logging and at the same time beautifying the environment.

High Technology Industrialisation

To advance Malaysia as a manufacturing nation, the National Front Government will:

—give priority to high technology and sophisticated heavy industries;

—disperse industries to all States including to the East Coast of Peninsula Malaysia, Sabah and Sarawak;

—select and ensure that all our industries are clean and pollution-free;

—reduce dependence on foreign labour and expertise while being willing to acquire technology from all sources; and,

—increase workers' wages without resorting to industrial action.

Prudent Financial Management

The national Government will maintain Malaysia as a nation with low cost of living and low inflation. This will help to lower the cost of production and increase the workers' purchasing power. Although our per capita income today is US$3,200, our purchasing power is equivalent to US$9,000 in the United States. By controlling inflation and the cost of living, Malaysian goods will always be competitive in the world market. And our quality of life would not be far different from the developed nations. Therefore the National Front Government will:

—maintain the stability of the ringgit [Malaysian currency] so that it will fluctuate wildly;

—control inflation so that the purchasing power of the people will not decrease;

—attract foreign funds and capital to the country by lowering the cost of investment and cost of living;

—reduce the outflow of funds by providing adequate educational facilities in the country, efficient ports and a strong insurance industry;

—manage the nation's reserves and investments prudently;

—ensure all the nation's financial management are supervised closely by the authorities concerned; and,

—reduce taxes and government fees wherever possible for the benefit of the people.

Efficient and Effective Administration

The National Front has and will continue to improve the administrative system through:

—reviewing all government procedures to determine their suitability, updating and making changes, if necessary;

—reducing red-tape in Government departments by simplifying procedures and forms;

—using more office automation to improve efficiency;

—paying fair and reasonable wages and salaries commensurate with productivity;

—continuing with privatisation to improve services, reduce government expenditure and increase the income of the privatised staff as well as those remaining in the government service;

—continuous training of officials and staff in order to provide effective services; and,

—improving the accounting system through the use of computers to ensure accounts are audited.

Vote National Front for a Brighter Future

The National Front will undertake new approaches and endeavours to ensure the success of Vision 2020. The National Front will spare no efforts to ensure rapid development.

The National Front Government will take all measures to sustain an average growth of seven percent annually up to the year 2020. In this way per capita income will double every 10 years, reaching US$16,000 or RM40,000 by the year 2020.

All these can be achieved without destroying our moral values and quality of life. Those who vote for the National Front are voting for a bright and secure future. Only the National Front Government can deliver its promises—a peaceful, prosperous and united Malaysia.

Singapore

Philippine Proposal on Forensic Test Accepted

BK1804142095 Singapore Radio Corporation of Singapore in English 1000 GMT 18 Apr 95

[FBIS Transcribed Text] The Singapore Government has accepted in principle the draft guidelines proposed by the Philippine Government on the visit of the Singapore forensic expert team to Manila. A Ministry of Foreign Affairs spokesman said the guidelines state that the experts and their respective consultants or advisers will conduct their joint efforts in a confidential manner. They will not issue any public statements while the examinations in Manila are in progress.

Once the examinations are completed and before the Singaporean experts leave, both teams will appoint one spokesman each. The spokesman must be a national of the respective teams. The spokesmen will coordinate their respective written statements before reading their statements before a news conference, the timing and venue of which will be mutually agreed upon. Only the spokesmen will answer questions related to the forensic examinations on Miss Della Maga's remains and the experts' technical aspects of the talks between both forensic teams.

However, the Singapore Government has told the Philippine Government that the Singapore spokesman will be assisted by his foreign consultants in answering questions from the press. After the departure of the Singapore experts, both governments will continue to coordinate their further statements, if any, on the result of the Singapore expert team's visit.

Indonesia

Further on Kuwaiti Delegation's Visit

Suharto Hosts Banquet

BK1804141495 Jakarta ANTARA in Indonesian 1810 GMT 17 Apr 95

[FBIS Translated Text] Jakarta, 17 Apr, (ANTARA)—President Suharto says that Indonesia and Kuwait have undertaken concrete steps in various fields such as economy, trade, industry, science and technology, information, and culture to boost bilateral relations.

Addressing an official dinner banquet in honor of Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah at the State Palace on Monday evening, the head of state said that the two countries are facing many problems and challenges as fellow developing countries.

"Accordingly, the two countries realize the importance of an exchange of views, ideas, and experience," the head of state said.

The president expressed his confidence that the exchange of ideas will further strengthen mutual good will and cooperation between the countries and people.

The president noted that a ministerial meeting of the Nonaligned Movement Coordinating Bureau will be held in Bandung in April in preparation for the next summit of the Nonaligned Movement in Colombia in October 1995. The conference will coincide with the 40th anniversary of the Afro-Asian Conference which laid the groundwork for the Nonaligned Movement.

It is hoped that the spirit and solidarity of the nonaligned countries in a struggle for a more peaceful and fairer world order will remain in flames [as received], the president said.

The head of state recalled that he paid a state visit to Kuwait 18 years ago and relations between the two countries were further strengthened when Kuwaiti Amir Shaykh Jabir al-Ahmad al-Sabah made a state visit to Indonesia at the invitation of the president in 1980.

Further Strengthening

The head of state said that the current visit of the Kuwaiti crown prince and prime minister will further strengthen strong bilateral relations.

The president disclosed Indonesia's development process under the Second Long-Term Development Master Plan which will be a takeoff period.

In addition, the president noted that there have been various rapid and basic changes prior to the 21st century, but the changes have in fact benefited industrialized countries.

"Developing countries, where the majority of the world population live, continue to suffer from misery and backwardness. The progress of developing countries has been hampered by limited capital, poor technology, and a lack of high-quality human resources," the president said.

The imbalance will harm not only developing countries but also industrialized countries in the long run, he said.

"Accordingly, all nations must work shoulder to shoulder to build a fairer and more balanced world economic order to ensure the welfare of the entire human mankind," the head of state said.

"The president, the Kuwaiti crown prince and prime minister, and their wives exchanged traditional souvenirs on the occasion."

The Kuwaiti delegation, which arrived in Indonesia on Monday at about 1000 West Indonesian Standard Time [0300 GMT], will be in Indonesia until 21 April 1995.

While in Indonesia, the Kuwaiti guests will visit Nusantara Aircraft Industry, the Purna Bhakti Pertiwi Museum, the Indonesian Miniature Park, and the paradise island of Bali. The delegation will leave for home from Bali.

Alatas Meets Deputy Foreign Minister

BK1904104595 Jakarta ANTARA in Indonesian 1832 GMT 18 Apr 95

[FBIS Translated Text] Jakarta, 18 Apr (ANTARA)—Foreign Minister Ali Alatas says that the Republic of Indonesia has consistently supported Kuwait and the UN Security Council resolutions on the Iraqi-Kuwaiti conflict but is obliged to contribute itself to a final settlement of the matter.

Speaking after talks with Kuwaiti Deputy Foreign Minister Sulaiman M. Shaheen in Jakarta on Tuesday, he said that the Republic of Indonesia as chairman of the Nonaligned Movement has consistently explored a possible relaxation of several aspects of the sanctions on Iraq commensurate with the level of the latter's compliance with the sanctions.

"The latest development was a "draft" [preceding word in English] resolution on Iraqi oil sales to alleviate human suffering. The Republic of Indonesia contributed ideas that were unanimously accepted, but the resolution was unfortunately rejected by Iraq," he said.

Iraq rejected the resolution several days after its cabinet held a meeting lasting more than five hours.

Meanwhile, Shaheen said on a separate occasion that the Iraqi people and the international community hold the Iraqi Government responsible for the rejection.

"The Iraqi Government must be accountable to its people and the international community," he said.

When asked why the Republic of Indonesia supported the draft resolution although it knew in advance that the draft resolution would be finally rejected by Iraq, Alatas said that the Republic of Indonesia had held a series of consultations with Iraq.

Nevertheless, the Republic of Indonesia must make its own decisions on certain matters on the basis of its own conviction.

According to Alatas, they discussed a ministerial meeting of the Nonaligned Movement Coordinating Bureau to be held in Bandung next week and the Republic of Indonesia's policies on Bosnia-Herzegovina and the southern Philippines in addition to the Iraqi-Kuwaiti issue. The two officials briefly discussed the Nuclear Nonproliferation Treaty and East Timor.

Suharto Meets With Japanese Economic Delegation

BK1904112595 Jakarta ANTARA in Indonesian 1019 GMT 18 Apr 95

[FBIS Translated Text] Jakarta, 18 Apr (ANTARA)—During his meeting with a Japanese economic organization (Keidanren) delegation at Jalan Cendana, Jakarta, on Tuesday, President Suharto offered new investment opportunities to Japan, particularly in the development of the pulp and paper industry as well as the automotive industry.

Quoting the president's statement during his meeting with a Keidanren delegation headed by Shoichiro Toyoda, Industry Minister Tunky Ariwibowo said: "Opportunities are open to Japan to invest in Indonesia."

Earlier, at the South Merdeka palace, Vice President Sutrisno received the Keidanren delegation, which was accompanied by Aburizal Bakri, chairman of KADIN, the Indonesian Chamber of Trade and Commerce.

According to Tunky, the meeting between the president and the Keidanren delegation was very important in upgrading economic relations between Japan and Indonesia in view of the yen's appreciation against foreign currencies, particularly against the U.S. dollar.

The industry minister said Japan's industries have been facing difficulty for some time as a result of the yen's appreciation, but the recent higher appreciation of the yen had caused more difficulty for Japanese industries.

As such, Tunky Ariwibowo believes that the president's timing was precise in making the offer to the Keidanren delegation leader, also chairman of the Toyota Corporation, in connection with the wide opportunities available for Japan to invest in Indonesia.

Continuing, the minister said the president spoke, for example, of the vast opportunities that exist for the establishment of a pulp and paper industry, given the presence of the existing industrial forest program. Wider opportunities are available for the expansion of agroindustries and industries processing marine products.

President Suharto also touched on the issue of relocating industries, particularly major industries producing products that Indonesia imports from Japan, such as automobiles, electronic goods, and heavy machinery.

The industry minister said: "We have constructed the necessary infrastructure, including the development of industrial zones."

According to the minister, the Keidanren delegation welcomed the offer because such cooperation would provide mutual benefit. Particularly with relocation, Japan will have a place to carry out its operations more economically and manufacture products more competitively, not only in the Indonesian market but also in global markets and its own market.

Tunky said Indonesia will also benefit from an increased number of investments, more revenue, the transfer of technology, and the transfer of administrative management techniques.

The trade minister also said that in view of the upcoming APEC [Asia-Pacific Economic Cooperation] meeting scheduled for Osaka in November, Japan has requested Indonesia's assistance in making the meeting a success, similar to the success achieved in Bogor.

Open Market

Keidanren delegation leader Shoichiro Toyoda said the meeting was his second meeting with President Suharto and expressed his deep respect for President Suharto.

Toyoda believes that Indonesia's economy had developed rapidly over the last two-and-a-half years under the leadership of President Suharto. In his talks with the president, the Keidanren leader said that vast investment opportunities still exist in Indonesia.

Toyoda said: "We promise to open our markets wider and increase our trade activities with Indonesia."

He also expressed his appreciation to President Suharto for Indonesia's contributions to the Kobe earthquake victims.

With regard to the APEC issue, Toyoda attributed the success of the Bogor meeting to the president's capable leadership. He expressed his appreciation to the Indonesian president for such an achievement.

Shoichiro Toyoda said: "This year, Japan will become the APEC chairman in Osaka. Along with our economic sector, we will make every effort to make the meeting a success. We need the support of the international community to make the meeting a success."

Editorials View APEC Finance Ministers Meeting

BK1904112395

[FBIS Editorial Report] Two Indonesian language papers—Jakarta SUARA PEMBARUAN on 17 April and Jakarta SUARA KARYA on 18 April—carry editorials on the second Asia-Pacific Economic Cooperation, or APEC, finance ministers meeting in Denpasar, Bali.

SUARA PEMBARUAN carries an approximately 800-word editorial on page 2. It quotes Finance Minister Mar'ie Mohamed's briefing to reporters, noting that the finance ministers agreed to set up a financiers group to deal with financial and capital markets, private capital inflow for the development of infrastructure, and the impact of fluctuating currency exchange rates on trade and investment.

The paper says: "The sudden flow of funds among countries in the Asia-Pacific region is very disadvantageous to many countries, including Indonesia. The unexpected inflow of funds could cause instability in the macroeconomic policies of developing countries. It is therefore understandable that the impact of currency exchange rates, especially the exchange rate between the yen and the dollar, was discussed during the meeting, which was attended by Japanese Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin."

The editorial adds: "Indonesia, as host and chairman of the meeting, was expected to make maximum efforts to discuss the currency exchange movement in detail. In this connection, Minister Mar'ie Mohamed told reporters that Indonesia is paying great attention to this matter. This can be seen in the bilateral talks the minister held with finance ministers from a number of Group of Seven countries, such as Japan's Takemura, U.S. Secretary Rubin, and Canadian Finance Minister Paul Martin. Apart from this, he also held several rounds of discussions with Toyoo Gyohten, president of the board of directors of the Bank of Tokyo, who has vast knowledge of financial markets."

The editorial continues: "The outcome of the Bali meeting and the economic package unveiled by Japan are the focus of immediate attention, but it is too early to make a final assessment of Japanese policy because the market reaction is not yet known."

Concluding, the editorial notes that the APEC finance ministers agreed that excessive currency fluctuations in the region could cause instability in the macroeconomic policies of each country. Therefore, it is very important to control inflation and prolonged budget deficits to maintain economic stability. SUARA KARYA carries an approximately 600-word editorial on page 5. Of the meeting, it says: "This is a follow-up to the first APEC finance ministers meeting held in Honolulu, the United states, last year when the U.S. dollar depreciated sharply against the Japanese yen. This has now become a global problem. Indonesia has been badly hit by the appreciation of the Japanese yen against the U.S. dollar because about 40 percent of its foreign loans are in yen. This means that for every 1 percent increase in the exchange rate of the yen against the dollar, Indonesia's foreign loans will increase by about $300 million.

The editorial says: "We feel that the APEC finance ministers meeting in Bali is an important event, although no concrete results have yet been achieved. We cannot expect any substantial results from a meeting that has only been held twice. APEC itself is a young organization. It is not easy to combine the interests of member countries that have different levels of economic development."

It adds: "Given APEC's current status, the finance ministers meeting is very useful in fostering closer ties, reaching mutual understanding, and exchanging views and integrating perceptions on common issues among member countries."

The paper continues: "In his opening address to the meeting on Saturday, Vice President Try Sutrisno said that currently any financial measure taken by a country can affect the international financial market, even if it is done to serve the national economy. About 10 years ago, by contrast, a devaluation in any country had hardly any serious impact on the economies of other countries."

Concluding, the editorial says: "We hope the next annual APEC finance ministers meeting can make more progress and concrete achievements."

Central Bank Chief on 'Overheating' Economy

BK1904012395 Jakarta BISNIS INDONESIA in Indonesian 11 Apr 95 p 1

[FBIS Translated Excerpt] Surabaya (BISNIS)—Central Bank Governor J. Sudrajat Jiwandono has called on everyone to be vigilant against the danger of economic overheating [preceding word in English] this year in view of increased economic activity and the large growth in nonoil and nongas commodity imports.

"A rapid growth in domestic demand, if not balanced by adequate supply, may destabilize prices and affect the balance of payments," he said at a seminar in Surabaya yesterday entitled: "The Banking Business—Reflections and Projections on the Eve of the 21st Century."

Sudrajat admitted that the overheating symptom has existed since last year, saying: "The relatively high inflation rate is one indicator of the existence of such a symptom."

He said the symptom is reflected in the high growth in nonoil and nongas commodity imports. "This year, nonoil and nongas imports are expected to continue growing in line with the increased economic activity," he said.

The Central Bank governor noted that nonoil and nongas exports are also expected to grow, but in the service sector the growth in exports and imports will increase the service transaction deficit. This means that the current transaction deficit will grow to $4.1 billion in FY 1995-96, higher than the $3.6 billion in FY 1994-95. In other words, the deficit will grow from 2.2 percent to 2.3 percent of GDP.

Sudrajat refused to speculate on whether the country may face double-digit inflation this year. "I do not want to discuss this issue again," he said after addressing the seminar organized by the Private Bankers Association's College of Economics. [passage omitted on domestic interest rates]

Nuclear Power Plant Seen as 'Last Alternative'

BK1904104195 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Apr 95

[FBIS Translated Text] House Commission X [in charge of science and technology] will approve the construction of a nuclear power plant to generate electricity on the Muria Peninsula, Jepara, Central Java if technicians are truly ready in terms of both quantity and quality. Speaking after a field observation of five areas, including the Muria Peninsula in Central Java, Gazali Amnar, House Commission X Deputy Chairman, said that the nuclear power plant should nevertheless become the last alternative after other sources of energy are unable to meet the demand for electricity. The demand for electricity in Java and Bali in 2015 will in fact exceed the 32,710 megawatts previously projected; about 7,625 megawatts more will have to be generated.

Sukarno Suyudi, head of the Bureau for Popularization of and Cooperation in Science and Technology of the National Atomic Energy Agency, said that the construction of the nuclear power plant on the Muria Peninsula had been planned in such a way that the possibity of any disaster that could endanger the surrounding residents would be remote.

ABRI Chief Views Succession, Democracy

BK1804134395 Jakarta SUARA PEMBARUAN in Indonesian 15 Apr 95 p 15

[FBIS Translated Text] Washington D.C., 15 Apr—General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], has stated that only the People's Consultative Assembly [MPR] has the right to discuss the succession issue. According to the Armed Forces commander, the issue indeed surfaces every five years and will become an item on the MPR agenda after members elected in the last general election convene a session.

Gen. Feisal Tanjung made the remarks on Wednesday (12 April) in reply to questions from SUARA PEMBARUAN reporter Albert Kuhon at a dinner reception in Washington D.C. The dinner reception was held at the residence of Dr. Arifin M. Siregar, ambassador of the Republic of Indonesia to the United States. On the occasion, the Armed Forces commander briefed diplomats and other invitees on Indonesia's domestic developments.

This is the first visit by an ABRI commander to the United States after Gen. M. Yusuf, minister of defense and security and the Armed Forces commander, paid an official visit here in 1982.

Feisal Tanjung and his delegation are visiting the United States at the invitation of Gen. John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff. The two commanders met officially on Thursday afternoon (13 April). Feisal Tanjung said that his meeting with Shalikashvili was designed to enhance cooperation between the two countries, especially in the military field and defense and security.

The Armed Forces commander said that there had been no outstanding problems concerning leadership succession in Indonesia. "Each group can groom its respective candidate as long as it does not cause divisions or affect national life and its actions are within acceptable limits," he said.

He said that there had been no official information on candidates fielded by each group. "Nevertheless, we have heard that a group had fielded Polan [a common boy's name in the ethnic Batak group] as a candidate," he said as he avoided being more specific. "If Polan remains a candidate in the MPR, he probably will be elected."

Even Distribution of Wealth

In the briefing on Wednesday evening, Feisal Tanjung admitted that successful macroeconomic development in Indonesia had not been followed by microeconomic development. "In particular, there has yet to be an even distribution of wealth in accordance with Pancasila," he said. He said that development had increased the number of the middle-income group made up of intellectuals and people with a proper economic situation in Indonesia.

This condition has enabled social life in various fields to become more dynamic and critical. "Indonesia's state system has frequently been questioned to accommodate the people's growing aspirations and demands," the Armed Forces commander said.

He admitted that many criticisms had served as constructive input for the strengthening of the system itself. However, many others have amounted to political pressure because they are based on standards and perceptions different from the Indonesian people's consensus.

According to the Armed Forces commander, this type of pressure will in fact tarnish democratic movement. He added that some groups wanted to impose democratic concepts based on broad political freedom. "In my opinion, foreign democratic concepts will not enable the Indonesian people to achieve their democratic ideas."

He said that the imposition of such democratic concepts would be undemocratic and could create an anarchic situation. According to the Armed Forces commander, openness introduced by the government has been abused by groups that want to discredit the Indonesian Government.

The groups have tried to influence the world community under the pretext of democracy, democratization, and human rights. "They claim that there is no democracy in Indonesia," Gen. Tanjung said.

The Armed Forces commander admitted that democracy has universal values. However, there are also sectoral values rooted in each country. "No democracy is universally applied in the world," he said.

He noted that a number of countries have adopted democratic concepts from other countries or have been forced by other countries to accept certain democratic concepts. The imposition of a democratic idea or concept against the wishes of the majority of a nation will eventually create an undemocratic condition.

Human Rights

Gen. Tanjung said that certain groups had politicized the implementation of human rights in Indonesia. They claim to be the champions of human rights and "feel that the implementation of human rights in Indonesia remains very worrisome."

The Armed Forces commander said that human rights, which is universally accepted by the United Nations, are not universally implemented in each country. In his opinion, Indonesia has legally put human rights in a proper proportion. "Nevertheless, we have to admit that there have been cases of deviations in its implementation."

According to the Armed Forces commander, some parties have regarded Indonesia's security approach as a negation of the right to assembly or speech. The parties have regarded restrictive measures by immigration officers against certain persons as a very tight security and stability policy.

"They consider the security and stability policy a manifestation of the ABRI's dual functions," the Armed Forces commander said. "In fact, security is a human need and stability is required by the Broad Outline of State Policies.

Still Normal

Gen. Tanjung said that student and worker protests were a dynamism of life and still within proper limits. "As long as there are no acts of violence or riots," he added.

He said that security forces will remain tolerant as long as such protests do not disrupt public order and there are permits. Nevertheless, stern action has sometimes been taken against those violating regulations. "Stern action is necessary to maintain the government's authority," the Armed Forces commander reasoned.

Tanjung stated that his briefing on Indonesia's domestic political situation should not be interpreted as a sign that Indonesia's political and security situation is very critical. "The situation remains under control and there is nothing we should be worried about," the Armed Forces commander concluded.

Philippines

Enrile Stresses Readiness To Defend Territory

BK1904103595 Quezon City ABC-DWET Television in Tagalog 1000 GMT 19 Apr 95

[FBIS Translated Text] General Arturo Enrile, chief of staff of the Armed Forces of the Philippines, said today the Philippines is ready to defend the sovereignty of the islands it occupies if it is true that China is planning to go to war over the Spratlys issue:

[Begin Enrile recording in progress, in English] ...but what I can say is if there is any part of the country that is beleaguered, then the Armed Forces will be there to defend our territory and our sovereignty." [end recording]

Government Studies 'Danger' of PRC 'Threats'

BK1904011195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Apr 95

[FBIS Translated Text] There is a possibility that China will launch a war against the Philippines to show its military force to claim the Spratlys. According to WIDE ANGLE, a magazine in Hong Kong, it is possible that China will be angry with the Philippines over the issue of its reclamation of land and sea territories. Foreign Undersecretary Rodolfo Severino said that if the Chinese threats are real, then there is great danger for the Philippines, and the issue must be studied immediately to resolve it peacefully. National Security Adviser Jose Almonte vowed to verify the report. If war breaks out, it is possible that the Philippines will be China's target because of our weak military and naval force. Earlier, ASEAN leaders met to resolve the tension in the Spratlys, but China remained firm on holding bilateral talks with other claimant nations and rejected multilateral agreements proposed by ASEAN leaders.

Ramos Gets 'Clean Bill of Health' After Check-Up

BK1904085295 Manila PHILIPPINE DAILY INQUIRER in English 15 Apr 95 pp 1, 9

[FBIS Transcribed Text] President Ramos and First Lady Amelita Ramos were given a clean bill of health by the Makati Medical Center [MMC] after their annual medical check-up from Wednesday [12 April] evening to Thursday noon.

Dr. Raul Fores, MMC medical director and executive vice president, said Mr. Ramos' cholesterol level was "the lowest ever." Last year's examination showed a "slight increase" in the president's cholesterol level from those of the previous years. Fores said there were no abnormal findings both for the president and Ms Ramos.

"All x-rays, including heart imaging and treadmill hexamibi, were normal for both the president and Ms Ramos," he said.

The First Couple's blood examination also yielded normal results. But tests on Ms Ramos showed mild arthritis. She has been suffering from the ailment the past four years. Eight MMC doctors conducted the annual complete medical check-up on the First Couple.

BMIP Blames Military for Ipil Attack

BK1804123695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 18 Apr 95

[Italicized passages in English]

[FBIS Translated Text] The government must form a fact-finding committee to determine the perpetrators of the Ipil massacre in Zamboanga del Sur. This was stated by Datu Firdausi Abbas, chairman of the Bangsa Moro Islamic Party [BMIP], during an interview with DZBB. The BMIP released a statement saying that the Abu Sayyaf did not attack Ipil, as has been reported.

Abbas explained that the Abu Sayyaf does not have sufficient manpower to stage such a large attack. Only the military has the capability to do so, Abbas said. Abbas said, however, they are not sure if those military personnel involved are still in the active service or have been expelled already. Abbas was surprised at President Ramos's apparent lack of knowledge of military activities in the southern Philippines.

[Begin recording] [Abbas] According to a report of the BMIP headed by Hayudini, *who is the deputy secretary general for Basilan, Zamboanga, and Sulu*, they found out that *based on their interviews* with the Abu Sayyaf *sympathizers who may also be members*, including the civilians, *the Abu Sayyaf was not the one responsible* in the Ipil raid. Hello?

[DZBB reporter Tina Panganiban] Yes, sir. Who are they...

[Abbas, interrupting] *In the first place, the Abu Sayyaf, they are now recuperating.* And they do not *operate beyond the platoon size.* Their maximum number is *30 men. So, they cannot operate on that level of more than 200.* One thing also, *they don't have the manpower and the firepower.* With regards to the Moro National Liberation Front [MNLF], *we have talked to Commander Muslim Insima, who is the chief of staff of the MNLF, and they categorically denied it. The MILF [Moro Islamic Liberation Front], we are in alliance with the Moro Islamic Liberation Front, they likewise denied it.*

So, in the process of elimination, these Moro groups are eliminated. *And no Muslim was involved in the raid. And we have evidence to at least to suspect that military elements were involved.*

What we are not definite about is whether these military elements are *whether they are deserters or they are no longer with the military or whether they are in the active service*, but we strongly suspect that there were military elements involved during the attack *who are still in the active military service. And that was a covert military operation, special military operation with the main objective of defeating the, ...precisely the ongoing government talks with the Moro National Liberation Front.*

What is surprising about this is that it seems President Ramos apparently has no control of the military because he does not know. [end recording]

In light of this, Abbas said that they are challenging the government to form a fact-finding committee to learn who was responsible for the Ipil massacre.

[Begin Abbas recording] We are challenging them, we are challenging President Ramos to *create a fact-finding committee* and give us the privilege to sit on the *fact-finding committee.*

And we are challenging the military to release their evidence if the Abu Sayyaf, MNLF, MILF, or any Muslim was truly involved. *And we will also present our own evidences, affidavits from* the victims of the *Ipil raid.* [end recording]

That was Datu Firdausi Abbas, BMIP chairman, during an interview with our colleague Tina Panganiban of Radyo Bisig Bayan.

Meanwhile, Defense Secretary Renato De Villa ridicules the BMIP accusation that the military is responsible for the Ipil attack as shallow propaganda.

De Villa reported that there are now only six hostages held by the Abu Sayyaf. De Villa is confident that the military can rescue the hostages alive. He added that Manuel Yan, presidential adviser on the peace process, is studying the cease-fire agreement between the government troops and the Moro National Liberation Front.

It will be recalled that some groups have requested President Ramos to temporarily suspend the cease-fire due to violations resulting from police and military operations in Zamboanga.

In the meantime, Jun Asiri Hayudini, deputy secretary general for Zamboanga, Basilan, and Sulu of the Bangsa Moro Islamic Party, has said that the Abu Sayyaf was not responsible for the attack in Ipil on 4 April.

Officials Deny Involvement

BK1904095695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 19 Apr 95

[FBIS Translated Text] Police and military officials have strongly denied the Bangsa Moro Islamic Party allegation that the military was involved in the Ipil massacre. According to the head of the Bangsa Moro Islamic Party, Datu Firdausi Abbas, the Abu Sayyaf does not have the capability to stage an attack such as the one on Ipil. It will be recalled that Abbas made his comments during an interview with Radyo Bisig Bayan.

In light of this, Defense Secretary Renato De Villa said the Abbas allegation is just shallow propaganda.

General Arturo Enrile, Armed Forces chief of staff, meanwhile, said the Abbas statement is just conjecture.

[Begin Enrile recording in English] There is no truth to the, ...to the allegation that the GRP [Government of the Republic of the Philippines] is derailing the peace talks with the MNLF [Moro National Liberation Front].

The residents of Ipil themselves, including those who were held hostage were claiming—as a matter of fact—that the abductors were members of, you know, not one among them mention that it's in military operation or something like that.

It is very, very clear from the testimonies of the worst victims, especially, that the raiding party was composed of armed Muslim elements. [end recording]

MNLF Chief Comments on Peace Talks, Ipil Issue

BK1904095295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 19 Apr 95

[Italicized passages in English]

[FBIS Translated Text] Nur Misuari, Moro National Liberation Front [MNLF] chairman, has warned of bad consequences that may result from the planned suspension of peace talks between the government and MNLF.

In an exclusive interview with DZBB, Misuari said he is hoping for wisdom from those attending the National Security Council meeting that will tackle the proposal.

[Begin Misuari recording] Well, it is difficult *at this point in time. It is very difficult for us to visualize what's going to happen,* what will happen, *what are the consequences* for the *suspension of cease-fire.* Let us wait to see what really happens.

We will see what is their *wisdom. I expect that they will exercise their wisdom in making decisions on this very crucial issue. Anyway,* let us wait what, ...*we will wait and see. And for the meantime, we will contact the Islamic Conference Organization and brief them about this development. I hope it will be in the press tomorrow here in Saudi Arabia.* [end recording]

Misuari also said even the proposed suspension of the cease-fire will affect the scheduled mixed-committee meeting in Davao in May.

Meanwhile, Misuari clarified that the MNLF is not blocking the military operation against the Abu Sayyaf.

[Begin Misuari recording] *I'm afraid it is not accurate to say that* because this one in Ipil, *I don't think the MNLF has even been involved in any, ...has ever created any obstacle when they pursued those forces.* There was no MNLF, *the MNLF was not involved there. MNLF was never in the area, they never interfere. Except in our law, of course, they wanted to pass through our territory, and then after some arrangement was made, then they were able to pass through, but in the case of this Ipil, I don't think, ...I don't see any participation being, you know, being done by the MNLF by way of obstructing their operation.* [end recording]

Misuari challenged those making the accusations to identify the MNLF members who allegedly joined the Abu Sayyaf during the Ipil attack.

[Begin Misuari recording] Their statements that four MNLF members reportedly came from Afghanistan have joined, *that is a total lie. MNLF never entered, ...never allowed its forces to interfere in Afghanistan. We never sent one single soul there, you see? You know, they are just trying to make justification for their, ...for their action.*

You can never find any report of MNLF helping, ...gone to Afghanistan during those war. Their accusations that there was an MNLF member involved, *they have to tell the truth, tell the whole country. They must expose* what is the identity. *I'm daring them, I am daring them to, you know, to expose the real identity of this.* [end recording]

MNLF 'Elements,' Marines Clash in South Palawan

BK1904084995 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 19 Apr 95

[FBIS Translated Text] An encounter between the Philippine Marines and Moro National Liberation Front [MNLF] elements reportedly occurred in southern Palawan. In a report received by DZBB, the incident happened in Balabac Island in southern Palawan at 0430. Based on the Western Command's radio message, more than 30 MNLF elements engaged in a battle with the Marines.

Earlier, it was reported that Wescom Chief Major General Carlos Tanega has sent Marines to Balabac to prevent the entry of the Abu Sayyaf and other forces. DZBB has known that Navy Captain Rex Robles, spokesman of the Western Command, is heading to Palawan at 1700.

Thailand

Cabinet Eases Restrictions in Insurance Sector

BK1904053295 Bangkok BUSINESS DAY in English 19 Apr 95 p 1

[FBIS Transcribed Text] In a move aimed at liberalizing Thailand's restrictive insurance sector, the Cabinet agreed in its meeting yesterday to allow new life and non-life firms to start up. Ministers drew up four guiding principles—in the form of ministerial regulations—for this to happen.

Announcing the highlights of the weekly Cabinet meeting yesterday, government spokesman Akkharaphon Sorasuchat said the four ministerial regulations, proposed by the Commerce Ministry, were aimed at streamlining applications for life and non-life insurance licenses by domestic as well as foreign companies.

The four ministerial regulations were drafted by the Commerce Ministry in accordance with the Life Insurance Act B.E. 2535 [1992], and the Non-Life Insurance Act B.E. 2535. The approved regulations will be forwarded to the Office of the Juridical Council for scrutiny.

The main principles and rules covering the issuance of the new insurance company licenses have been derived from the increasing need for more protection of individuals with life and non-life insurance policies in the light of the current rapid socio-economic changes.

Another principle has been compliance with the General Agreement on Tariffs and Trade.

In previous meetings, the Cabinet approved the proposals from the Finance Ministry that new insurance companies be permitted to operate with licenses to be granted by the Commerce Minister and with approval from the Cabinet.

Other provisions include the increase in foreign holding limits in existing insurance companies from 25 to 49 percent, and permission for foreign insurance companies to open branches in Thailand.

Important rules set for applicants for operating insurance companies included a registered and paid-up capital of 500 million baht for life insurance businesses and 300 million baht for non-life insurance companies, a cash or bank guarantee, and a restriction against transfer or sale of stock by founders of the insurance companies.

Commerce Minister Uthai Phimchaichon said once the ministerial regulations are approved the insurance business will no longer be monopolistic.

Editorial on Liberalization of Insurance Business

BK1904112795 Bangkok THAI RAT in Thai 19 Apr 95 p 3

[Editorial: "Insurance Business Liberalization"]

[FBIS Translated Text] On 11 April, just before the Thai people began the five-day celebration of the Songkran water festival, the cabinet made a very significant decision that will open a new chapter of the insurance business in Thailand. The cabinet approved an insurance liberalization plan to be carried out in three stages. At the end of the plan, the insurance business will be fully liberalized and open to free competition.

It is believed that the resolution adopted by the cabinet attracted very little attention from the people because they were preoccupied with the grand celebration of the water festival and tended to put everything aside. In fact, the cabinet's decision on this issue is very crucial. It could mean more Thai insurance companies entering the business or else domination of the business by foreign insurers.

The three stages of the liberalization plan are as follows: The first stage is the opening of applications from local investors. The second stage is the increase in foreign shareholding from 25 percent to 49 percent. The final stage will totally liberalize the insurance business for free competition. In other words, both Thais and foreigners will be allowed to do business and open new companies or branch offices anywhere in the country. As a member of the World Trade Organization, Thailand can no longer exclude foreigners from the insurance business.

It is interesting to note that the new rule requires a life insurance company to carry a minimum registered capital of 500 million baht. It is 300 million baht for a non-life insurance firm. We agree with the requirement because companies with large capital can do business better. We recommend that new insurance companies should first be registered as public companies because we fear that the business may eventually be monopolized by commercial banks and major financial companies.

It will be even better to have Thais hold most of the shares of new insurance companies. Shares should be sold to them at par value. Thais will therefore become interested in the insurance business and help develop Thai insurance companies so they can effectively compete with their foreign counterparts, which are well organized and experienced. The Thai people themselves will become a barrier against foreign insurance companies.

Naturally, an insurance company's credibility depends on how fast it pays compensation to clients and how flexibly it can deal with clients. If we follow the above, the insurance business will certainly be in the hands of the Thai people.

Impact of Strong Yen on Foreign Debt Viewed

BK1904053095 Bangkok BUSINESS DAY in English 19 Apr 95 pp 1, 3

[FBIS Transcribed Text] The strong yen has greatly increased the burden of Thailand's foreign debt, which is primarily denominated in the Japanese currency. Some 52 percent of the Thai government's $15 billion in foreign debt is denominated in Japanese yen, says Thanya Siriwethin, director of the Department of Economic Research at the Bank of Thailand. The government is expected to negotiate a new yen loan this week with Japan.

Mr Tharin [finance minister] has expressed concern that Thailand's debt burden is being increased by the appreciation of the yen in relation to the US dollar and the baht. The government has reportedly pledged to try to use derivatives to hedge against additional currency risks from yen loans.

Ms Thanya says that swaps are difficult and expensive to obtain for longterm loans and are usually available only for loans of up to one year. She added that the Thai government might need to reconsider borrowing in yen.

Most yen loans are at favorable nominal interest rates and have been obtained through the Japanese Overseas Economic Co-operation Fund, at an interest rate of 2.5 to 3.5 percent per year for 30 years, and have a ten-year grace period.

The yen has increased roughly 50 percent against the dollar in the past ten years, equivalent to 5 percent per year. Ms Thanya says that the government has already purchased enough yen to service the government's debt during this year and next. Most was bought when the yen rate was more than 100 to the US dollar. "Hopefully, in the next two years the dollar will recover," she said.

Mr Tharin believes the long term effect of the yen's appreciation will be positive for Thailand, because it will increase exports to Japan.

An informed source at the Finance Ministry says steps have been taken to reduce the impact of the rising yen on Thailand's debt.

The Ministry has swapped portions of its yen debts into dollars, to reduce the degree of exposure to foreign exchange losses.

In the first three months of this year, the ministry settled several debts, including $77.27 million of government debt; $83.5 million from the Petroleum Authority of Thailand and $88.5 million accrued by the Electricity Generating Authority of Thailand.

The debt was settled with yen bought before the surge in the Japanese currency.

Machima Kunchon Na Ayutthaya, Deputy Managing Director, Rayong Electricity Generating Company estimates that Thailand currently receives yen denominated loans in the amount of 40 billion yen per year. He explained that since there are very few trade surplus countries in the world, Japan as the largest trade surplus nation is in a strong position to act as a source of loans.

"Japan is the main source of credit, and even when loans are issued through other agencies such as the World Bank or the Asian Development Bank, the basket of currencies will contain the Japanese yen, so there is no avoiding the yen."

Mr Machima agrees with Mr Tharin's concerns over the negative effects of yen-denominated loans. "Yen-denominated loans are a problem if there are no risk management measures taken."

This does not mean, however, that Thailand should cease to obtain yen-denominated loans. Mr Machima explained: "Yen loans are attractive because of their concessionary terms. They have low interest rates, and the 30-year term is an added benefit to the borrowers. So we must take advantage of these attractive terms by obtaining yen-denominated loans and undertaking risk management measures."

The two major risk management measures Mr Machima advocates are swaps and the building up of foreign currency reserves. He feels that the Ministry of Finance should give state enterprises a free hand at managing the risks of foreign currency denominated loans, and that the current policy prohibiting state enterprises to do swaps on their own should be abandoned.

"State enterprises operate in the strong sectors of the economy, whereas the government as a whole represents the weak sectors. State enterprises have the ability and expertise to assess risks on foreign currency denominated loans and to manage them," Mr Machima said.

Aphiradi Tantraphon, deputy director-general of the Department of Business Economics, says: From the viewpoint of trade, exports from Thailand should gain from the appreciation of the yen, because Thai products will become more attractive.

While this will hasten the rate of industrial investment it will be offset the higher cost of servicing the country's debt.

PRC Said Interested in Mekong River Agreement

BK1904032195 Bangkok BANGKOK POST in English 19 Apr 95 p 2

[FBIS Transcribed Text] China has indicated its willingness to involve itself in subregional cooperation among countries along the Mekong River, but stopped short of committing itself to the newly-established Mekong River Commission.

A Foreign Ministry statement released in Bangkok yesterday stated that China welcomed the agreement between the four lower riparian countries—Laos, Thailand, Cambodia and Vietnam—which was designed to serve as a framework for sustainable development of the Mekong basin.

"The Chinese government is pleased to see the progress of cooperation among Thailand, Laos, Cambodia and Vietnam reflected in the agreement signed earlier this month in Chiang Rai," Chinese Science and Technology Minister Hui Yongzheng told Deputy Foreign Minister Surin Phitsuwan.

The statement said China was ready to join in cooperation in the sub-region, without giving details.

Mr Surin is currently in Kunming, in the southern Chinese province of Yunnan, to co-chair a meeting of the Sino-Thai Joint Commission on Science and Technology. The new Mekong agreement was sealed on April 5.

Mr Hui was also quoted as saying Beijing was interested in promoting relations and cooperation between upstream and downstream countries.

"This is to jointly develop natural resources, transportation, agriculture, fisheries, commercial navigation and culture along the Mekong River, particularly in the southern part of Yunnan Province," he said.

Last year, Chinese authorities set up a special committee, co-chaired by Mr Hui and National Planning Commission Vice President Chen Yaobang, as a coordinating body to speed up progress with both the "Golden Quadrangle" and "Economic Hexagon."

Mr Hui said China's southwestern region, comprising Yunnan, Sichuan, Guangxi and Guizhou, has much to gain under both schemes.

"We view that cooperation among the four lower riparian countries would boost the sustainable development for all parties on an equitable basis," he said.

A Foreign Ministry official said China may not be interested in joining the Cooperation for Sustainable Development of the Mekong River Basin because it sees the arrangement as mainly focusing on water use.

"China is only keen on commercial navigation in the Mekong, which is already reflected in the Golden Quadrangle scheme (between China, Burma, Laos and Thailand)," the official said.

Mr Surin is scheduled to meet with Yunnan Deputy Governor Niu Saoyou—in charge of the Mekong River development cooperation—on Friday before returning to Bangkok.

Editorial Urges Retaliation Against Cambodia

BK1804141295 Bangkok SIAM POST in Thai 18 Apr 95 p 4

[Editorial: "For Dignity and Prestige"]

[FBIS Translated Text] The Phnom Penh government has reaffirmed to the Thai Government that the massacre of 22 Thai workers in the logging concession area inside Cambodia opposite the Chong An Ma border crossing point last November was not the work of Cambodian Government troops. Apparently, therefore, they have refused to take any responsibility for the incident.

From the very beginning the Cambodian Government has been trying to shrug off responsibility by blaming the Khmer Rouge. Yet it has never produced any evidence to eliminate suspicion on the Thai side.

Compared to the recent hanging of a Philippine maid by the Singapore Government, the massacre of 22 Thai workers in Cambodia is of a much greater magnitude. The Philippine leaders have managed to apply aggressive diplomatic measures to obtain a respectable response from the Singapore Government to a certain extent.

Thailand and Cambodia maintain diplomatic relations at the ambassadorial level. Although the protracted armed conflict with the Khmer Rouge could be delaying the investigation into the carnage, the Cambodian Government's reply should not be so ambiguous.

It should be noted that since the massacre of the 22 Thai workers, the Cambodian Government has not spoken out against the workers' presence in that country. On the contrary, it even admitted that the BLP Company Limited legally sent the workers to its logging concession area. Therefore, the logging company as well as the families of the ill-fated workers should be given justice.

Another point to ponder is that not long after the mishap, Cambodian Government troops crossed the border to rob a Thai restaurant in Prachin Buri Province, killing its owner. The latest violent incident was the abduction and brutal killing of Thai police officers inside Cambodia. Cambodian troops continue to cause disturbances for Thai villagers living in border areas.

Cambodian Government leaders have been intentionally trying to avoid any direct or indirect responsibility for the killing of the 22 workers or the problems now facing Thai villagers along the border with Cambodia. They belittle the good neighborly relations between the two countries.

For the dignity of the Thai people and the prestige of the nation, the Cambodian Government must be held responsible for the massacre of the 22 Thai workers and other violent and unjustifiable incidents that have taken place along the border. It is time for the Thai Government to resort to drastic diplomatic measures and confrontation, close the border, and ask the Cambodian ambassador to return home temporarily.

Chuan Rejects Navy's Bid To Buy Submarines

BK1904040295 Bangkok THE NATION in English 19 Apr 95 p A 1

[FBIS Transcribed Text] Prime Minister Chuan Likphai yesterday rejected the Navy's last-ditch effort to win the government's approval for its plan to purchase two submarines worth Bt17 billion during the next fiscal year.

Chuan said Navy Commander-in-Chief Admiral Prachet Siridet has offered to suspend some naval defence projects in the 1996 fiscal year so the submarine purchase plan could be immediately carried out without requiring a steep increase in the Navy's annual budget.

The premier said the submarine project has not yet passed any official scrutinizing procedure and will not be included in the government's 1996 spending budget.

The Cabinet will finalize the spending figures of all government units in the 1996 Budget Bill on April 24, before it can be submitted to the House of Representatives.

The Navy has launched last-minute lobbying for the inclusion of the submarine plan before the budget is finalized by the Cabinet.

Government criticism recently led to suspension of the submarine purchase plan, and Chuan said that the Navy has since never consulted the government about its renewed bid to buy the submarines.

"The [new] plan is something new for the government. And we cannot say now whether it is necessary or not (to have the submarines) since no detailed study has been carried out," he said.

"The government has neither accepted nor rejected the plan. Further consideration will be made by the Defence Ministry," Chuan said.

The Royal Thai Navy wants to buy two medium-size submarines under a seven-year budget commitment starting in the 1996 fiscal year and totally projected at Bt17 billion.

Prachet has been lobbying hard to win the government's approval and has received strong backing from other leading military figures.

The Navy had tried to submit the project to the government for consideration but withdrew it at the last minute after Chuan, other Cabinet ministers and the Budget Bureau openly questioned its necessity.

Prachet met Chuan at Government House for about 30 minutes on Monday to explain why the Navy needed to buy the submarines immediately.

Chuan yesterday insisted the plan would have to be carefully studied by all parties concerned before any decision is made.

"Buying new military hardware is necessary but we have to consider the necessity in a proper order," he said.

Despite Chuan's stand, Deputy Defence Minister Vice Adm Rot Wiphatphumiprathet yesterday said he was hopeful that the plan would be considered by the Cabinet during its meeting next Tuesday [25 April].

"I believe the project will eventually have the government's support," he said.

Rot said the Navy reviewed the project after a mistake was made in the proposed budget commitment timeframe. The Budget Bureau has fixed a standard for the budget commitment of all government projects at no more than five years. However, the period proposed by the Navy for the submarine purchase is seven years, he said. But Chuan yesterday said Prachet did not offer to cut the time- frame from seven to five years when they met on Monday.

Vietnam

Australian Governor Continues Official Visit

Meets With Le Duc Anh

BK1804151395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Apr 95

[FBIS Translated Text] A solemn ceremony was held at the Presidential Palace in Hanoi this morning to welcome visiting Australian Governor General Bill Hayden. Attending the ceremony were President Le Duc Anh and his wife, Deputy Prime Minister Nguyen Khanh, many ministers and deputy ministers of the Vietnamese Government, and members of the diplomatic corps in Hanoi.

After the welcoming ceremony, Le Duc Anh and his wife cordially received Hayden and his wife at the main guest room in the Presidential Palace. Le Duc Anh welcomed Hayden's visit and wished him and his entourage a splendid success.

Also at the Presidential Palace this morning, Le Duc Anh held talks with Hayden.

Attending the talks on the Vietnamese side were Nguyen Viet Dung, minister and chief of the Presidential Office; Deputy Foreign Minister Vu Khoan, Vietnamese Ambassador to Australia Nguyen Thanh Chau, and a number of high-ranking officials of the Presidential Office and the Foreign Ministry. On the Australian side were Susan Boyd, Australian ambassador to Vietnam; (Robert Ceterky), secretary to the Governor General; and other high-ranking officials.

Le Duc Anh warmly welcomed Hayden and his wife. He said that the first official visit to Vietnam by the Australian governor general will contribute to bunderstanding and mutual trust between the two countries, thereby creating favorable conditions for long-term friendship and cooperation. The president noted with pleasure the satisfactory development of the relations of friendship and cooperation between Vietnam and Australia in the recent past, especially in the political, investment, trade, cultural, and education domains. Le Duc Anh highly appraised Australia's fruitful investment projects, its assistance in training cadres, and its support for Vietnamese participation in various regional cooperation forums. The president also hailed the Australian Government and people for their assistance to Vietnamese residents in Australia, in helping them become accustomed to daily life there and to assimilate into the local community, thereby contributing to the prosperity of Australia and promoting bilateral friendship and cooperation.

Hayden expressed his delight in visiting Vietnam again, many years after his first visit. He said he has witnessed rapid changes in various areas. He highly appraised important achievements by the Vietnamese people in the renovation undertaking and in national reconstruction. He also highly appraised the openness and diversified foreign policy of Vietnam, especially its efforts to join ASEAN in the near future as well as its significant role in and positive contributions to various regional forums and in the settlement of regional issues. Hayden said that his visit is aimed at enhancing mutual understanding and studying the present situation so that he may provide the Australian people and the Vietnamese community in Australia with better information, thereby helping to encourage more Australian investment in Vietnam.

Both sides expressed the hope that Hayden's visit will be a splendid success, thus strengthening mutual understanding and trust and promoting friendship on the basis of respecting each other and expanding bilateral cooperation for the interests of each nation and for peace, cooperation, and development in the Asia-Pacific region.

The talks proceeded in an atmosphere of friendship, sincerity, and frankness.

Attends Banquet 18 Apr

BK1904021795 Hanoi VNA in English 1627 GMT 18 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 18—President Le Duc Anh and his wife gave a banquet this evening in honour of Australian Governor-General Bill Hayden and his wife now on an official friendship visit to Vietnam as guest of President Le Duc Anh.

At the banquet, President Anh and Governor-General Hayden raised toasts to the further development and consolidation of the Vietnam-Australia friendship and multi-faceted cooperation.

After the banquet, the host and guest enjoyed an art performance.

Earlier, this morning an official state ceremony was held at the Presidential Palace to welcome for the distinguished Australian guests.

This afternoon Mr. Hayden and his wife attended a ground-breaking ceremony for the construction of Australia's new embassy in Hanoi.

At the ceremony, Mr. Hayden and Ms. Susan Boyd, Australian ambassador to Vietnam, thanked the Vietnamese Government and the Hanoi People's Committee for their assistance to the construction of the Australian Embassy.

The Australian guests toured the Old Street area, the Temple of Literature (Van Mieu) and some painting galleries in Hanoi.

Also this afternoon Prime Minister [P.M.] Vo Van Kiet called on Mr. Hayden.

P.M. Kiet welcomed Mr. Hayden's visit as an event of important significance in consolidating and promoting the friendship and cooperation between the two countries. He spoke highly of the encouraging development in the bilateral relationship, particularly in economic cooperation, personnel training, and the supply of equipment and experts for the construction of the trans-Viet 500 kv [kilovolt] power line, since his Australia visit in April 1994. He affirmed that the Vietnam-Australia friendly and cooperative relations have been developed well with fine prospects for the sake of the two peoples and for peace, stability, and development in the world. "The Vietnamese Government" he said "considers its cooperation for development with Australia as long-term one in various fields, and continues its efforts in exchanging views on issues of common concern, aimed at promoting their relationship".

For his part, Mr. Hayden expressed his satisfaction at the fine development of their friendship and cooperation. He highly valued the achievements recorded by the

Vietnamese people in the current renovation process, which, he said, are regarded as a steady basis for the development of their mutual beneficial cooperation, and also are good opportunities for Australian businessmen to invest in Vietnam for the two countries' benefits and prosperity as well as for peace, stability and development in the region and the world over.

Banquet Speeches Quoted

BK1904103995 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Apr 95

[FBIS Translated Text] State President Le Duc Anh and his wife hosted a grand reception at the Presidential Palace this evening in honor of His Excellency Bill Hayden, Australia's governor general, and his wife, now on an official friendship visit to our country. Attending the reception on the Vietnamese side were Deputy Prime Minister Nguyen Khanh and many ministers and deputy ministers of the Vietnamese Government. The Australian ambassador to Vietnam and many distinguished Australian guests accompanying his excellency the Australian governor general also attended the reception.

In his speech, President Le Duc Anh warmly welcomed His Excellency Governor General Bill Hayden, his wife, and the other distinguished Australian guests now on an official friendship visit to Vietnam. President Le Duc Anh pointed out that His Excellency Governor General Bill Hayden's Vietnam visit comes at the very moment the Vietnamese people are preparing to mark the 50th anniversary of President Ho Chi Minh's solemn declaration to the world that Vietnam had the right to enjoy freedom and independence and had in fact become a free and independent country. Today, upholding the spirit of independence and self-reliance, the Vietnamese people are making every effort to achieve the goal of making the people rich and the country powerful and of bringing about justice and civilization in society.

President Le Duc Anh noted with pleasure that the multifaceted cooperation between Vietnam and Australia has developed quickly in the interest of the two peoples and for the sake of peace and cooperation in the Asia-Pacific region. He said emphatically: We highly value the contributions of his excellency the Australian governor general and are convinced that his visit will open a new chapter in bilateral relations. We hope for the constant development and consolidation of friendship and cooperation between Vietnam and Australia. We wish Australia and Vietnam prosperity.

In his reply, His Excellency Bill Hayden thanked President Le Duc Anh for the warm welcome and hospitability accorded to his delegation. After recalling several visits to Vietnam in the past, he expressed his pleasure at seeing the marked progress in Vietnam today. He also expressed his understanding of the historic challenges facing the Vietnamese people. He highly valued the efforts of the Vietnamese Government to boost the national economy and expressed his belief that these efforts will bring about prosperity in Vietnam. He said emphatically: Vietnamese history is full of examples of struggle and success. Modern history has testified to this fact. I know the virtues of the Vietnamese people very well—the crystallization of wisdom, diligence, and resourcefulness—and I am sure that these virtues have been reflected in Vietnam's struggle. He is convinced that the Vietnamese people will continue to develop these virtues to cope with future challenges. Finally, he said he was positive that Vietnam will become a developed and prosperous country in the region and reiterated his desire to strengthen bilateral cooperation in the interest of the two peoples.

Following the reception, President Le Duc Anh, Madame Le Duc Anh, Governor General Bill Hayden, and Madame Bill Hayden watched an interesting performance presented by artists from the Vietnam Opera and Ballet Theater to welcome the official friendship visit to Vietnam by His Excellency Governor General Bill Hayden and his wife.

To Visit Southern Provinces

BK1904104395 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 19 Apr 95

[FBIS Translated Text] A Voice of Vietnam correspondent has reported that after visiting Hanoi and holding talks with President Le Duc Anh, Australian Governor General Bill Hayden, his wife, and the distinguished Australian guests left Hanoi this morning to visit the southern provinces.

An official ceremony to see of His Excellency Bill Hayden and his wife was solemnly organized at the Presidential Palace. Attending the ceremony were President Le Duc Anh and his wife, Deputy Prime Minister Nguyen Khanh, and many ministers and deputy ministers of the Vietnamese Government.

President Le Duc Anh thanked Bill Hayden and his wife for paying an official visit to Vietnam and for conveying the Australian people's friendship to the Vietnamese people. President Le Duc Anh wished Governor General Bill Hayden and his entourage success during their visit.

Governor General Bill Hayden thanked President Le Duc Anh, his wife, and the Vietnamese leaders and people for the warm welcome and hospitality they extended to him and his delegation. He expressed the hope that he will continue to gain a good impression of the Vietnamese land and its rapid development during his visit to the south and will meet with Vietnamese people determined to work hard for the prosperity and freedom of their country.

President Le Duc Anh presented Bill Hayden and his wife with an album containing photos of activities during his visit to Hanoi. Afterward, President Le Duc Anh and his wife emotionally said goodbye and waved to Bill Hayden and his wife while the car carrying the

Australian governor general slowly moved away from the Presidential Palace grounds.

Commentary Hails Relations

BK1904091795 Hanoi Voice of Vietnam in English 1000 GMT 18 Apr 95

[Station commentary]

[FBIS Transcribed Text] Australian Governor General Bill Hayden arrived in Hanoi Monday [17 April] starting his official visit to Vietnam. Upon his arrival he said that his country wishes to participate further in Vietnam's national development process. In fact, Australia has already been realizing this intention. Here is our radio comment.

In his political life, Mr. Bill Hayden has taken on many important responsibilities in Australian Government. He has previously visited Vietnam and has positively contributed to consolidating and developing the friendly cooperative relations between Vietnam and Australia. Surely, his visit to Vietnam this time will help him continue realizing these fine objectives.

Australia is a large country, occupying a continent in the Southern Pacific region. Through struggle against the hash nature, the Australian ethnic community have risen up leading the country to the rank of industrialized country and is competitive and attractive to foreign investment. Australia has a population of only 19 million but has a total product valued at $297 billion. People's living standard is high and income per capita per annum is $16,400.

Vietnam admires this wonderful development in Australia. Over the last few years, in the spirit of closing the past and looking toward the future, leaders of the two countries have consolidated the friendship and cooperation between the two countries. These include bilateral economic and trade cooperation. Two-way trade turnover increased from $32 million in 1990 to $390 million last year. Australia now ranks sixth among foreign investors in Vietnam with 40 projects valued at $649 million. These projects include oil and gas exploitation, telecommunications, irrigation, fresh water supply, and personnel training. These static bases will ensure the success of Mr. Bill Hayden's visit to Vietnam and this is the reason why the Vietnamese people share their confidence with Mr. Hayden on the ever greater progress of bilateral relations. They both believe that friendship and cooperation between Australia and Vietnam will be strengthened and broadened in the interest of the two peoples for peace, stability, and prosperity of the region and the world.

Japan's Murayama, Do Muoi Speak at Banquet

BK1904152695 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Apr 95

[Report by Dao Nguyen]

[FBIS Translated Text] Dear friends: Last night Japanese Prime Minister Murayama hosted a grand feast at the prime minister's residence in honor of Comrade General Secretary Do Muoi and his entourage. Attending the feast on the Vietnamese side were Comrades Nguyen Manh Cam, Hong Ha, Tran Duc Luong, Do Quoc Sam, Le Van Triet, and Ha Nghiep and the Vietnamese ambassador to Japan. On the Japanese side were Their Excellencies (Sunada), head of the Government Office; Agriculture Minister Okawara; Construction Minister Nosaka; and many other high-ranking Japanese Government officials.

In his speech at the banquet, Japanese Prime Minister Murayama pointed out:

[Begin Murayama recording, in Japanese fading into Vietnamese translation] Today the Japanese people are delighted to welcome to our country Your Excellency Do Muoi, general secretary of the Communist Party of Vietnam, and your delegation from the Socialist Republic of Vietnam. This is the first visit to Japan by the highest Vietnamese leader, and it is an event of great significance in the historical relations dating back hundreds of years between Japan and Vietnam. Vietnam and Japan have been friends throughout history. Many Japanese merchants arrived in Hoi An City in the central region of your country and established a Japanese quarter there in the 16th century. The two peoples both use chopsticks in their meals and have many similarities in their traditions, customs, habits, and cultures. These might be the reasons that, even during my very first visit to your country last August, I felt familiar and close and mutual understanding was so easy to find. That visit profoundly impressed me, and I wish to once again express my deep gratitude for the warm welcome my delegation and I received from Your Excellency General Secretary and the other Vietnamese leaders.

Your Excellency General Secretary, I am aware that your country has an excellent, classic literary work of art called Kim Van Kieu. Many generations have enjoyed the story depicting the everlasting evolution of nature. In the same naturally evolving stream of life, our country has undergone big waves—the recovery period after the war; the economic development period; and now, after a short break of stability, we are moving into a new period of development at the threshold of the 21st century, but with no fewer problems. Your country has passed a prolonged and arduous period of war, and now you are focusing your efforts on the renovation undertaking for national development under the leadership of Your Excellency, General Secretary. My meeting with you today reminded me of what I witnessed in Hanoi—the Vietnamese people's energy and the dynamic atmosphere of the city's life. These fine memories cause me to respect your people's unity in the struggle for national construction. I would like to express our readiness to develop our cooperation to the greatest extent possible within our capacity. We will work together for the economic development of your country using the experiences we have gained in the last half century.

I believe that to enhance the friendly relations between our countries, it is important to develop the interaction between the two peoples. It is encouraging to see that the interaction between the business, scientific, cultural, and art communities of the two countries has been developing favorably. I have also learned that Vietnamese people are very enthusiastic about education, and the under-20 population makes up 40 percent of your total population. I wish to see further development of the interaction between talented young people from the two countries to build Japanese-Vietnamese relations for the future. His Excellency President Ho Chi Minh once said: For ten years of benefit grow trees; for a hundred years of benefit grow humans. I also believe that educating the young generation to prepare them for the future is an important resource for the development of a country.

Your Excellency General Secretary, the most outstanding characteristics of the current world environment are the strong growth of the Asia-Pacific region and the development of interdependence among countries. Against this background, I am aware that your country will join ASEAN in July. I believe that while Asia is developing, your country and Japan can join hands in working for regional peace and stability. The end of the Cold War has paved the way for a brighter future, but reality shows that conflict still dominates in some areas due to ethnic discord and so on—conflicts that were not obvious before. We should not be reserved in working for a new peaceful and prosperous century.

The challenge that will probably face us is the ability to tolerate differences in race and culture for the sake of advancing along the road to hope. Now more than ever before, at the junction in the road to hope, humanity should use its intelligence to choose a bright future for itself and future generations. From this viewpoint, I think the roles of Vietnam and Japan are important.

Ladies and gentlemen, I would like to propose a toast to the good health of Your Excellency General Secretary Do Muoi, for the everlasting development and prosperity of the Socialist Republic of Vietnam, and for long lasting friendly relations between Japan and the SRV. [applause] [end recording]

Dear friends, in his reply Comrade General Secretary Do Muoi said:

[Begin Do Muoi recording] The beautiful country of Japan is in the middle of spring, with the cherry trees blossoming. The spring also promises the blossoming of relations between our countries. First, I wish to sincerely thank Your Excellency Prime Minister Murayama and the Japanese Government and people for your hospitality, your fine sentiments, and your solemn and warm reception of my delegation and I.

In recent years, relations between Vietnam and Japan have developed steadily. Japan is currently our biggest trading partner and biggest development aid donor. It also ranks high in investment. On this occasion, I wish to express our gratitude to the Japanese Government and people for their cooperation and assistance as well as their fine sentiments toward our people. I am delighted by my meeting with Your Excellency Prime Minister this afternoon, when we shared our views on regional and international issues of common concern as well as issues relating to the immediate and longterm benefit of our countries. The results of the meeting will surely open fine prospects for the further development of friendly relations and practical cooperation in the period to come.

Through meetings with the highest leaders and top officials in Japanese political and economic circles, I have come to the conclusion that Vietnam and Japan have ample opportunities and conditions to achieve greater cooperation and to complement each other. The outcome of Vietnamese-Japanese cooperation over the last several years and the mutual understanding created by this meeting of high-level Japanese and Vietnamese leaders will encourage us to strengthen our cooperative relations. The potential development of Vietnamese-Japanese cooperation is indeed enormous and necessary. Japan is one of the world's biggest economic centers with abundant capital, advanced industries, and modern and efficient management techniques. Japan can find a dynamic and trustworthy partner in Vietnam. Vietnam still faces many difficulties, but it is progressing in its successful renovation process. It is also a country with a convenient geographical location, an internationally attractive market, an industrious and skillful labor force, diversified natural resources, a peaceful and open foreign policy, and stable socioeconomic conditions.

I profoundly believe that Vietnamese-Japanese cooperation based on the principles of equality and mutual benefit will bring concrete results that will contribute to the peace, stability, and development of the Asia-Pacific region and the world.

We are carrying out an independent, self-determined foreign policy aimed at achieving diversified and multilateral relations in the spirit of befriending all countries in the world community and working for peace, independence, and development.

Peace, stability, and cooperation are the prevalent trends in the Asia-Pacific region, though there are still elements of instability in the region. We hope the countries in the region will work together to build long lasting peace and stability so the Asia-Pacific region can become the most dynamically developing region in the world. Disputes and disagreements between countries should be resolved through peaceful negotiations on the basis of equality; respecting each other's independence, sovereignty, and territorial integrity; and refraining from further complicating the situation, using force, or threatening to use force.

Your Excellency Prime Minister, ladies and gentlemen, on the occasion of our visit to Japan, we would like to express our admiration for what the people of Japan have achieved over the last 50 years. Your miraculous success is a vivid indication of a Japanese proverb: Genius is the fruit of hard labor. We hope that with its great economic, scientific, and technological potential, Japan will play an active and important role in the development of the Asia-Pacific region as well as the development of peace, stability, and cooperation, thus contributing to the world's advance toward the future and pushing into the past all memories of World War II in the minds of Asians.

During your visit to Vietnam last year, Your Excellency Prime Minister Murayama said Japan supports Vietnam's renovation policy and will contribute as much as possible to this undertaking. We highly appreciate your statement and your visit to our country last year, and sincerely hope that the Japanese Government, political parties, and people will expand cooperation with Vietnam to help us achieve the objectives of a prosperous people, strong country, and equitable and advanced society.

Also on this occasion, I wish to convey my warm sympathy to the victims of the recent earthquake in Kobe. I hope the Japanese Government and people will quickly overcome the severe damage and restore normalcy to people's lives.

Believing in a bright future for the peoples of our countries and the friendly cooperation between Vietnam and Japan, I would like to propose a toast to the good health of Emperor Akihito and the empress; to the good health of Your Excellency Prime Minister and Madame Murayama; to the longstanding, friendly, and cooperative Vietnamese-Japanese relations; and to the good health of you all. [applause] [end recording]

Dear friends, today, on the third day of their Japan visit, General Secretary Do Muoi and his entourage are visiting economic and cultural establishments in Tokyo.

Relations, Cooperation With Japan Reviewed

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[Station commentary]

[FBIS Transcribed Text] As we mentioned earlier, Vietnamese party General Secretary Do Muoi is now on an official visit to Japan. Here is our radio editor's opinion:

Vietnam and Japan share many cultural similarities. In the current world and regional situation, the two countries have many favorable conditions to develop cooperative relations. Most importantly is that Vietnam and Japan have agreed to broaden bilateral friendship and cooperation for mutual development. That is why recently much progress has been made in bilateral relations in the political, economic, cultural, and social fields.

The peak marking a new era in bilateral relations was the visit to Japan of Vietnamese Prime Minister Vo Van Kiet in 1993 and the visit to Vietnam last August by Japanese Prime Minister Tomiichi Murayama.

Now Japan is Vietnam's biggest trading partner with the two-way trade turnover growing from $910 million in 1991 to nearly $1,400 million in 1992 and $1,800 million in 1993. Japan has allocated considerable financial aid to Vietnam, particularly for infrastructure projects. Japan is Vietnam's biggest donor with grants and loans amounting to $600 million.

Together with progress made in economic and political fields, they have made considerable progress in cultural, social, education, and training fields. To create a new framework for long-term cooperative relations, the two countries have promoted regular exchange of policies for close coordination in bilateral cooperative programs. The official visit to Japan of party General Secretary Do Muoi will open even more a new era in bilateral relations.

Foreign Ministry Official on Mekong Agreement

BK1804140495 Hanoi Voice of Vietnam in English 1000 GMT 17 Apr 95

[FBIS Transcribed Text] Early this month, four countries in the Mekong Basin: Cambodia, Laos, Thailand, and Vietnam signed an agreement in Chiang Rai, Thailand, on cooperation and development of the Mekong River Basin. A radio reporter interviewed Ms. Ton Nu Thi Ninh, director of the Foreign Ministry's International Organizations Department.

This took place in the signing ceremony. Ms. Ninh was asked what was the origin of the agreement.

[Begin Ton Nu Thi Ninh recording in Vietnamese] The Mekong is the fifth longest river in the world, and the least developed river running through so many countries. Therefore, it receives considerable attention from many countries and international organizations. In 1957 a Mekong Committee was set up with members from Cambodia, Laos, Thailand, and the Southern Vietnam regime. Historical upheaval in the region impeded the committee from functioning properly. It was not until 1992, when the region was much more stable, that the four member countries resumed discussion of an agreement on cooperation and development of the Mekong River. After nearly three years, the agreement was initialed last November in Hanoi. On 5 April it was officially signed in Chiang Rai, Thailand. The agreement provides for a master plan for development of the entire basin, including profit-sharing projects in irrigation, hydropower, transportation, tourism, and environmental protection. [end recording]

The Foreign Ministry spokesperson then outlined the significance of the agreement, particularly for Vietnam.

[Begin Ton Nu Thi Ninh recording] The Mekong River [word indistinct] new prospect of cooperation in the new sub-region. The fishing war in the North Atlantic and recent incidents in Southeast Asian waters show that the signing of the Mekong agreement will play an essential role in laying a foundation for settlement of disputes over common natural resources through peaceful negotiations. For Vietnam, the Mekong agreement is a proper step in foreign policy, which attaches great importance to friendship and cooperation with neighboring countries and the rest of the region. Vietnam anticipated in several framework agreements on cooperation, which will facilitate integration into the international community while creating a stable environment for the renovation process within Vietnam. [end recording]

Phan Van Khai Demands Protection of Rice Fields

BK1904085395 Hanoi VNA in English 0648 GMT 19 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 19—Deputy Prime Minister Phan Van Khai has made clear that the existing rice cultivation area of the whole country must be protected, declaring this is a national policy.

While addressing the current session of the National Assembly on Tuesday [18 April], Phan Van Khai stressed that Vietnam is an agricultural country but it does not enrich by foodgrain production. Vietnam cannot maintain stability for national development if its agricultural development is not boosted to ensure sufficient foodgrain supply for a population of 80 million by the turn of this century and over 100 million early next century.

Rice farming land has disappeared at alarming level in the last few years. According to Mr. Khai, the development of industrial complexes and major construction projects will be guided towards hilly and sandy land regions covering about 5-6 million ha.

He said: 'The government has issued and will release policies to encourage investors to use such kinds of land and the prime minister will take steps to ensure that the policy is practical. All projects and schemes to be carried out on rice cultivation areas must be approved by the prime minister'.

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